S. Hrg. 98-761

# IMPLEMENTATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

---

## HEARINGS

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION

OF THE

COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

---

FEBRUARY 1 AND 29; MARCH 20 AND 22, 1984

---

Printed for the use of the
Committee on Environment and Public Works

U.S. GOVERNMENT PRINTING OFFICE
32-771 O WASHINGTON : 1984

5321-28

## COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ROBERT T. STAFFORD, Vermont, *Chairman*

HOWARD H. BAKER, Jr., Tennessee
JOHN H. CHAFEE, Rhode Island
ALAN K. SIMPSON, Wyoming
JAMES ABDNOR, South Dakota
STEVE SYMMS, Idaho
PETE V. DOMENICI, New Mexico
DAVE DURENBERGER, Minnesota
GORDON J. HUMPHREY, New Hampshire
DANIEL J. EVANS, Washington

JENNINGS RANDOLPH, West Virginia
LLOYD BENTSEN, Texas
QUENTIN N. BURDICK, North Dakota
GARY HART, Colorado
DANIEL PATRICK MOYNIHAN, New York
GEORGE J. MITCHELL, Maine
MAX BAUCUS, Montana
FRANK R. LAUTENBERG, New Jersey

Bailey Guard, *Staff Director*
John W. Yago, Jr., *Minority Staff Director*

---

### Subcommittee on Transportation

STEVE SYMMS, Idaho, *Chairman*

ROBERT T. STAFFORD, Vermont
HOWARD H. BAKER, Jr., Tennessee
JOHN H. CHAFEE, Rhode Island
JAMES ABDNOR, South Dakota
DANIEL J. EVANS, Washington

LLOYD BENTSEN, Texas
JENNINGS RANDOLPH, West Virginia
QUENTIN N. BURDICK, North Dakota
DANIEL PATRICK MOYNIHAN, New York
FRANK R. LAUTENBERG, New Jersey

# CONTENTS

FEBRUARY 1, 1984

## OPENING STATEMENTS

Page
Moynihan, Hon. Daniel Patrick, U.S. Senator from the State of New York ....... 4
Randolph, Hon. Jennings, U.S. Senator from the State of West Virginia ........... 2
Symms, Hon. Steve, U.S. Senator from the State of Idaho ........... 1

## WITNESSES

Ameruso, Hon. Anthony R., Commissioner of Transportation, city of New York ........... 51
  Written statement ........... 247
Archer, John, managing director, government affairs department, American Automobile Association, accompanied by George Viverette, AAA highway transportation director ........... 54
  Written statement ........... 253
Barnhart, Hon. Ray, Administrator, Federal Highway Administration, accompanied by Lester P. Lamm, Deputy Administrator, Federal Highway Administration ........... 9
  Written statement ........... 63
Dempsey, William H., president, Association of American Railroads, presented by Richard E. Briggs, executive vice president, and L. Leonard Lane, exective director, of intermodal policy studies ........... 60
  Written statement ........... 294
Ehlers, Ed, executive director, Association of California Loggers ........... 47
  Written statement ........... 242
Hall, Katherine I., Center for Auto Safety ........... 58
  Written statement ........... 286
Ordway, William, director, Arizona Department of Transportation, and president, American Association of State Highway and Transportation Officials, accompanied by Thomas D. Larson, Secretary, Pennsylvania Department of Transportation and chairman, standing committee on planning. AASHTO; and Lowell Bridwell. secretary, Maryland Department of Transportation, and chairman, steering committee on motor carrier taxation and registration issues, AAHTO ........... 23
  Written Statement ........... 82
Parcells, Harriet, director, energy conservation and transportation project, Environmental Policy Institute ........... 56
  Written Statement ........... 265
Whitlock, Bennett C. Jr., president, American Trucking Associations, Inc., accompanied by Lana R. Batts, managing director, ATA research and policy analysis division: William E. Johns, managing director, ATA technical services division; and John L Reith. director, ATA economic and taxation department ........... 30
  Written Statement ........... 134
Wilson, Don, distribution systems manager for dairy group, the Southland Corp., Dallas, Tex., and president, Private Truck Council of America, Inc., accompanied by Richard Henderson, executive vice president, and Richard Schweitzer, legislative counsel ........... 41
  Written Statement ........... 230

## ADDITIONAL MATERIAL

Page
Coalition for Equitable Truck Taxes, letter from .......... 32
Fertilizer Institute, statement of .......... 301
Packwood, Hon. Bob, U.S. Senator from the State of Oregon, letter to Senator Symms .......... 7
State of New York, Department of Transportation, letter to Senator Symms .......... 252

### FEBRUARY 29, 1984 (p. 303)

## OPENING STATEMENTS

Lautenberg, Hon. Frank R., U.S. Senator from the State of New Jersey .......... 306
Randolph, Hon. Jennings, U.S. Senator from the State of West Virginia .......... 307
Stafford, Hon. Robert T., U.S. Senator from the State of Vermont .......... 303
Symms, Hon. Steve, U.S. Senator from the State of Idaho .......... 304

## WITNESSES

Burnley, Hon. James, IV, Deputy Secretary, Department of Transportation, accompanied by Hon. Ray Barnhart, Administrator, Federal Highway administration, and Richard D. Morgan, Executive Director, Federal Highway Administration .......... 323
  Responses to additional questions .......... 344
Penner, Hon. Rudolph, Director, Congresssional Budget Office, accompanied by Richard Mudge, Deputy Director .......... 307
  Written statement .......... 338

### MARCH 20, 1984 (p. 367)

## OPENING STATEMENTS

Randolph, Hon. Jennings, U.S. Senator from the State of West Virginia .......... 368
Stafford, Hon. Robert T., U.S. Senator from the State of Vermont .......... 368
Symms, Hon. Steve, U.S. Senator from the State of Idaho .......... 367

## WITNESSES

Bumpers, Hon. Dale, U.S. Senator from the State of Arkansas .......... 375
  Written statement .......... 415
Caywood, James A., immediate past chairman, American Road and Transportation Builders Association and president, DeLeuw, Cather & Co., accompanied by Daniel J. Hanson, Sr., president, American Road & Transportation Builders Association .......... 385
  Written statement .......... 445
Donaldson, Gerald, Center for Auto Safety, accompanied by Katherine Hall .......... 394
  Written statement .......... 476
  Responses to additional questions .......... 497
Humphrey, Hon. Gordon J., U.S. Senator from the State of New Hampshire; and John A. Clements, commissioner, New Hampshire Department of Public Works and Highways .......... 370
  Written statements .......... 400, 402
Johnson, Wendy, project director, women's opportunity in road construction, Southeast Women's Employment Coalition .......... 382
  Responses to additional questions .......... 435
Koltnow, Peter G., president, Highway Users Federation .......... 391
  Written statement .......... 462
Sasser, Hon. James, U.S. Senator from the State of Tennessee .......... 373
  Written statement .......... 409
Spoo, Hon. James L., mayor, Sparks, Nev .......... 379
Vucanovich, Hon. Barbara, a Representative in Congress from the State of Nevada .......... 378
Winn, Gary, manager, legislative affairs, American Motorcyclist Association .......... 397
  Prepared statement .......... 499
  Responses to additional questions .......... 506

## ADDITIONAL MATERIAL

Statements supplied for the record: Page
- Nunn, Hon. Sam, U.S. Senator from the State of Georgia ... 427
- Laxalt, Hon. Paul, U.S. Senator from the State of Nevada ... 431
- Hecht, Hon. Chic, U.S. Senator from the State of Nevada ... 434

## March 22, 1982 (p. 511)

## WITNESSES

Farris, Robert E., Commissioner, Tennessee Department of Transportation ... 528
- Written statement ... 600

Hall, Larry, vice president, Hall Signs, and president, sign division, American Traffic Services Association ... 546
- Written statement ... 646

Johnston, Hon. J. Bennett, U.S. Senator from the State of Louisiana ... 516
- Written statement ... 557

Leven, Claire, Preservation Technologies Inc., and Professional Women in Construction of New York State ... 536

Levinson, Robert, corrections consultant, American Correctional Association ... 538
- Written statement ... 636

Miller, William J., Jr., director, Delaware River and Bay Authority, representing the International Bridge, Tunnel & Turnpike Association, accompanied by Arthur Berg, Chairman, IBTTA Law Committee ... 534
- Written statement ... 611

Mitchell, Hon. George J., U.S. Senator from the State of Maine ... 526

Patterson, Sam, president, Citizens Against the Pellissippi Parkway Extension, accompanied by Michael Maschmeyer, and Michael Y. Rowland ... 548
- Written statement ... 668

Price, Ed., director of public relations, National Gypsum Cement division ... 545
- Letter to Senator Symms ... 644

Reece, H. W., president, Reece Construction Co., on behalf of Associated General Contractors of America, accompanied by John Gentille, staff director, AGC, highway division; and Doug Richardson, assistant staff director ... 519
- Written statement ... 586

Spector, Hon. Arlen, U.S. Senator from the State of Pennsylvania, accompanied by Thomas D. Larson, Secretary, Pennsylvania Department of Transportation ... 511
- Written statement ... 552

## ADDITIONAL MATERIAL

Maine, State of, Department of Transportation, telegram to Senator Mitchell ... 527

Statements submitted for the record:
- Florida Department of Transportation ... 687
- New York State Department of Transportation ... 697
- Association of American Railroads ... 706
- Citizens Against Relocating SR-22, West Tennessee ... 708
- Correctional Industries Association, Inc ... 713
- Council of University Transportation Centers ... 715
- Energy Absorption Systems ... 746
- Miller, Mary P ... 749
- National Association of Development Organizations ... 751

Transportation, Department of, letter with attachments to Senator Domenici ... 677

# IMPLEMENTATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

---

WEDNESDAY, FEBRUARY 1, 1984

U.S. Senate,
Committee on Environment and Public Works,
Subcommittee on Transportation,
*Washington, D.C.*

The subcommittee met at 10 a.m., in room SD–406, Dirksen Senate Office Building, Hon. Steve Symms (chairman of the subcommittee) presiding.

Present: Senators Symms, Randolph, and Moynihan.

## OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator Symms. Good morning. I would like to welcome all of our witnesses and guests to the first hearing in 1984 of the Transportation Subcommittee of the Environment and Public Works Committee.

It was just a little more than a year ago right now that President Reagan signed the Surface Transportation Assistance Act of 1982. That landmark legislation was the product of over 2 years of hearings by this subcommittee, focusing on the country's deteriorating road and bridge system. The magnitude of the problem brought together an extraordinary coalition of Federal, State and local government officials and every major highway user group. Through these efforts the highway user fees were increased for the first time in over 23 years. This increase meant that the Federal dollars spent on the highway system could be increased substantially. In fiscal 1982 States obligated approximately $8 billion of Federal funds and in fiscal year 1983 they spent $13.2 billion. This amount will increase each year through fiscal 1986.

The Federal Highway Administration did an excellent job in apportioning the funds quickly to the States and implementing new requirements of the Surface Transportation Assistance Act in a way that did not disrupt the States' programs. After this tremendous accomplishment by the Congress and the executive branch, I am disturbed that Congress was unable to approve an interstate cost estimate before adjourning last November. We have asked all the highway users to pay additional taxes and we currently have less money available to the States than before the Surface Transportation Assistance Act of 1982. In my opinion the only reasonable action is to approve a cost estimate immediately so these funds are available to the States. The committee will be considering further legislation in the next few weeks and that is the appropriate time to consider all other highway issues.

I believe we cannot have a sustained, healthy economy without a first-class surface transportation system. Because of this I believe this country cannot afford to lose the investment it has made in the highway system. Many of us here on this committee worked hard for the passage of the Surface Transportation Assistance Act of 1982 and the nickel-a-gallon tax increase to pay for it.

I did not agree with the final outcome of every single provision in the legislation, but without the compromise passage of the act it would not have been possible and the roads and bridges in the country would have continued to deteriorate and threaten the safety of the citizens of this country.

I am not convinced that the user fee increases enacted into law are in every case in the best interest of the country and its vital industries but it is important to continue to provide opportunities for individuals and groups impacted by the Surface Transportation Assistance Act to explain to Congress what effect the legislation, both positive and negative, will have on their ability to maintain a healthy industry and economy.

Today the subcommittee wants to provide such an opportunity for looking at the impact of the Surface Transportation Assistance Act tax structure on the trucking industry. In considering changes to the existing tax structure there are two important criteria we need to measure any changes against. The first is the amount of revenue raised. In order to sustain just the existing Federal-aid highway program level, the new tax structure should come close to raising as much revenue as current projections show will be raised under the Surface Transportation Assistance Act of 1982. Second, it is important that the tax burden is not unfairly shifted to the lighter trucks.

The Department of Transportation has just released its report to Congress on "Alternatives to Tax on Use of Heavy Trucks," and AASHTO also recently issued its report, the "AASHTO Study of Motor Carrier Taxation and Registration Issues." I believe these two reports will be very helpful to Congress as we search for an equitable solution to financing our highway system.

Witnesses will also be discussing the productivity gains experienced by the trucking industry as a result of the increased truck size and weight provisions; legislative proposals introduced by Members of Congress; the effect of increased truck size and weights on the condition of roads and bridges; and to what extent reasonable access should be permitted.

We look forward to hearing from the witnesses this morning.

I believe Senator Randolph may have an opening comment.

My colleague, would you like to make an opening comment before we start to hear the witnesses?

## OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Thank you very much, Mr. Chairman. I wish to commend you for your leadership of the Subcommittee on Transportation and for the activity of all members, both majority and minority, not only on the subcommittee but on the committee as a whole.

The Surface Transportation Assistance Act of 1982 really, as all who are in the room know, was the first attempt in many years by the Congress to provide additional revenue—revenue absolutely necessary to fund our ongoing Federal aid to highway program. Now some people may have thought this was large by some standards but frankly the needs of the traveling and shipping public, who are the users of these roads, were not being met and I think there is no argument that can be made that they were being met. The serviceability and the driveability of our highways, not just a few, including the Interstate System, reached unacceptable levels of safety and the ability to carry the traffic.

That tax increase was required. With the strong support of the administration; I remember the work of Drew Lewis who was an able leader and the 4 cents that was allocated by that measure to the highway account of the trust fund. This additional revenue gave us an increase of over 50 percent in our level for the fiscal years of 1983 and 1984 with funding which would be increased further in fiscal years 1985 and 1986.

Action within the Congress was not without controversy, we know that, and we have had no allocation of the cost among the various categories of highway users for some time. The report of the Department of Transportation on the allocation cost study certainly was controversial, certainly among the trucking interests—and you have mentioned that, Mr. Chairman—of the country since it recommended the substantially, we can use that word I think correctly, higher user taxes and the fight to enact what we call STAA. It was in some cases brutal, and I use that word advisedly and I hate to refer to it as that but it actually was, and the issue is not dead and understandably so.

In section 513 of that program there was an analysis by the Department of Transportation and the Treasury with the alternate tax proposal. The study has been submitted a year earlier than we had thought and it makes no recommendations, is that correct? Are there any recommendations made? But it certainly set forth the problems and hopefully the opportunities that we have and the responsibilities as well.

I certainly want to keep my thinking process in the center of this subject so that I can find, if possible, the essential answer and we must have sufficient resources in our Federal aid to highway program to meet the needs of an America that I keep saying is an economy that is based on wheels and wings, and that is the America today. Any alternative tax proposal for heavy vehicles must be what I call revenue neutral to fund the authorizations provided in the 1982 act. We must raise approximately, I believe, $72 to $73 billion. Is that correct, Mr. Chairman?

Senator Symms. I believe that is correct.

Senator Randolph. And this cannot be done by shifting to the diesel differential alone, I don't think that is a final answer.

I want to listen very carefully to the witnesses, and they come prepared, of course, as they address this and many other issues. All of us on the committee, especially those on the subcommittee, are very concerned. We must be certain, if we can, that our tax is set at a level which provides sufficient revenue to fund the authorization and that is the responsibility of this committee, and the Federal aid to highway program therefore continues to be a strong support built into the economy of this country no matter how good business is or how bad business is. The arteries of travel used by the vehicles and by men and women and even for defense needs are vital and we must not forget it.

Thank you very much.

Senator SYMMS. Thank you very much.

Senator Moynihan, do you have any remarks?

## OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, U.S. SENATOR FROM THE STATE OF NEW YORK

Senator MOYNIHAN. I do, Mr. Chairman. I thank you for giving me this opportunity.

I want to speak to the question of the use of tandem trailers and other larger trucks on the Interstate System. Mr. Chairman, as you know, I was a strong supporter of the Surface Transportation Assistance Act of 1982 and I continue to think we did the right thing. We did include in the legislation, and it was part of the sometimes more than normally energetic efforts that went into shaping this legislation, we did include the provision that all interstate highways and indeed certain Federal aid primary highways designated by the Secretary of Transportation would be open to tandem trailers and other trucks.

When we passed this legislation I think it was assumed—I think, Mr. Barnhart, that you assumed—that the entire Interstate System built to the most recent standards would have the necessary safety features—the adequate shoulders and acceleration to deceleration lanes and the radii on curves and such that they could handle these trucks. We learned, however, that there had been significant portions of what is now the Interstate System that were simply incorporated into that system having been built in earlier periods and to earlier design standards which simply cannot handle these trucks. These typically are metropolitan areas and typically are metropolitan areas that first began highway development.

My own city of New York, Boston, and Philadelphia are examples and I have offered some legislation which we revised once that is now before this committee, that it is sensible, moderate legislation. It will permit the Governor of a State after consulting with local governments to seek an exemption for any section of the Interstate Highway System that cannot safely accommodate the larger trucks. The request goes to you, sir, and you have 45 days to make your judgment. It is a judgment and it is time that you make it your business. It is as simple and orderly and sensible a proposal as could be.

Let me speak now one quick moment more, Mr. Chairman, if I may, to the truckers in this room. I go back a long way with the subject of automobile safety. In the 1950's I was assistant to Governor Harriman and in the partnership with Dr. William Hadden who is now the director of the Insurance Institute for Highway Safety. I think it fair to say that the two of us wrote the first and the basic papers on this subject. We produced a certain amount of mathematical models for the subject and we described what kind of issue it was. We continued to refer to automobile accidents or highway accidents—they are not accidents at all, they are predictable incidents of energy transfer in a transportation system. If you want to do something about it, you have to do something about it. They are not acts of God. You can say with a very high order of confidence how many of these events will occur in a certain situation like part of the physics can predict collisions in a cloud chamber.

Now Hadden and I were optimists about the world and we thought the automobile industry was a rational industry and having, as we thought, solved their problems we went out to Detroit with the good news only to be found that we were treated as so many radicals, troublemakers, and probable sources of subversion of the most important of all American institutions, the automobile. I came to Washington on the day that President Kennedy's aide called me to ask if I would become a member of his administration. I was giving a paper at West Point and said it was becoming clear that the automobile industry was not going to do what it had to in traffic safety on its own and that if it was not going to do it on its own it had to understand that it would be done to it by an agency of the Federal Government.

This was precisely the experience of the railroads. We think of the Interstate Commerce Commission as a product of rate competition and rate fairness for farmers. It was just as much or probably more a question of the use of the safety of the railroads. It was said that, as long as brakemen were cheaper than the Westinghouse air brake the railroads were going to use the brakeman as a substitute. I said at that time, in 1961, anybody who thinks it would be good to be regulated by the Federal Government should spend a day in the Interstate Commerce Commission building; you go in there in the morning and you come out at the end of the day a year older. I came within one word of predicting the name of the Federal administration that would regulate the design of automobiles and I said it would come within the decade that I came to this city and I commenced to work on it and it came within 5 years.

Now, if the trucking industry thinks that that won't happen to it, go out and ask an official of General Motors, Chrysler or Ford Motor Co. what happened to them. They still don't quite know but they know something happened that they did not like and it will happen to you unless you have the common decency to get behind this legislation.

Now, sir, and I am closing here, the Interstate Highway System is something that New York State has a claim on and discussed it. It was first proposed by Robert Moses and adopted by Franklin Roosevelt. The first segment of the Interstate Highway System and the New York State Throughway was built by New York and it is continued to be financed by New York and we are still paying tolls on it though thanks to this committee when the final bonds are paid off it will become eligible for maintenance.

A great civil engineer, Bertram Talmadge, who had been Thomas E. Dewey's commissioner of transportation came down and was the linear decendent of your office, Mr. Barnhart, he was a small office in the Department of Commerce called the Bureau of Public Roads. They built the Interstate System. Those of us who built our shares earlier went on and paid for the rest of the country. Now all we are asking is that you not kill people on those sections we built by ourselves with our own money. I would hope the administration would get behind this. I hope the trucking industry would step aside and recognize your interests because in the end you are not going to get anywhere killing Americans for profit and that is what Detroit found out. If they could look back now and realize what chance they had to do on their own what they should have done, they would not be a distressed industry; we didn't want them to be, they made it themselves.

I am sorry to talk so long about this, Mr. Chairman, but I care about it. Mr. Ameruso from New York City will testify later.

Senator SYMMS. Thank you very much, my colleagues.

I want to mention that I have a letter from Senator Packwood which will be made a part of the record.

[The letter referred to follows:]

BOB PACKWOOD, OREG., CHAIRMAN

BARRY GOLDWATER, ARIZ.
JOHN C. DANFORTH, MO.
NANCY LANDON KASSEBAUM, KANS.
LARRY PRESSLER, S. DAK.
SLADE GORTON, WASH.
TED STEVENS, ALASKA
BOB KASTEN, WIS.
PAUL S. TRIBLE, JR., VA.

ERNEST F. HOLLINGS, S.C.
RUSSELL B. LONG, LA.
DANIEL K. INOUYE, HAWAII
WENDELL H. FORD, KY.
DONALD W. RIEGLE, JR., MICH.
J. JAMES EXON, NEBR.
HOWELL HEFLIN, ALA.
FRANK R. LAUTENBERG, N.J.

GERALD J. KOVACH, CHIEF COUNSEL
RALPH B. EVERETT, MINORITY CHIEF COUNSEL

United States Senate
COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION
WASHINGTON, D.C. 20510

March 2, 1984

The Honorable Steven D. Symms
Chairman, Subcommittee on
  Transportation
Senate Committee on Environment
  and Public Works
Washington, D.C. 20510

Dear Steve:

I appreciate this opportunity to provide comments for the record on your Subcommittee's February 1 hearing on oversight of the Surface Transportation Assistance Act of 1982 (STAA). I commend you for conducting this hearing; the STAA contained a number of complex and controversial provisions that require close Congressional scrutiny on a continuing basis.

I would like to briefly comment on the impacts of the provisions of the Act related to truck size standards and heavy truck use taxes.

## SAFETY ASPECTS OF UNIFORM TRUCK SIZE STANDARDS

The uniform nationwide truck length and weight standards established under the STAA and the 102-inch width standard included in the fiscal 1983 Department of Transportation Appropriations bill are crucial to maintaining efficient trucking industry operations. The uniform truck size and weight standards will allow the most productive use of truck companies' equipment.

The national uniform standards should also have a positive impact on safety. In my home State of Oregon, we have had much experience with the large combination trucks -- "doubles" have been permitted on Oregon highways for over 25 years and "triples" have been allowed since 1967.

In February 15 testimony before a Senate Commerce Committee field hearing in Eugene, Oregon, Bill Bebout, representing the Oregon Public Utility Commissioner, testified that the safety record of the large combination trucks is as least as good as, and possibly better than, that of the industry as a whole. Scott Coulter, State Highway Engineer of Oregon, corroborated the Commission's view at that hearing, noting the reliability of these combination trucks.

Joseph Clapp of Roadway Express identified three safety benefits at that hearing that will be achieved from the widespread use of the larger trucks:

1. reduced exposure to accidents due to fewer trucks on the highways;

2. improved stability of 102-inch wide vehicles, reducing the incidence of rollovers; and

3. reduced traffic congestion, through the use of individual 28-foot trailers in pick-up and delivery operations.

Despite the safety record of doubles and other combination trucks in Western States, I understand that there is some concern among officials in urban areas regarding the operations of these larger trucks -- especially doubles -- on older Interstate highways. The Commerce Committee will be closely examining this problem during 1984 as part of our overall highway safety efforts, with the aim of ensuring maximum safety on our highways, while not unduly burdening interstate commerce.

## HEAVY TRUCK TAXES

Title V of the STAA provides for the imposition of a heavy truck use tax. This tax is applicable to vehicles with a taxable gross weight of 33,000 pounds which are used for 5,000 miles or more on public highways. Under the STAA, an 80,000 pound truck would be taxed at a rate of $1,600, effective July 1, 1984, rising to $1,900 in 1988 and thereafter.

I understand the need to recover the costs associated with maintenance and improvements of our nation's highways and I fully agree that trucks should pay their "fair share" of the burden for this highway upkeep. Nevertheless, I am concerned that the law as written could impose undue burdens on certain specialized types of trucking, such as logging operations. The membership of the Associated Oregon Loggers, for example, uses its vehicles an average of 14,000 miles per year. Yet under the current law, they are placed in the same category as long-haul truckers for tax purposes. This places a severe burden on these companies.

Careful consideration must be given to alternatives to the current heavy truck tax system in the STAA to ensure a reasonable and equitable contribution to road maintenance from all types of heavy truck users.

Again, I appreciate the opportunity to provide these comments. I look forward to continuing to work with you in our efforts to improve highway transportation.

Cordially,

Bob Packwood

BOB PACKWOOD

Senator SYMMS. We will now start with Ray Barnhart who is the Administrator of the Federal Highway Administration. I might just say before the witnesses start that it would be the Chair's intention to go right straight through and try to complete the hearing this morning. We want all the witnesses to feel like they have the opportunity to say their piece but at any points where witnesses can abbreviate their testimony and where we can, when possible, we will probably submit some questions to you that could be answered for our record at a later time so that we could have everyone have the opportunity to be heard this morning and try to complete the hearing by no later than 12:30, if possible.

I might just say that the record will be kept open for those Senators who are not here that wish to make an opening statement and that right will be reserved for them.

Ray, welcome to the committee. We are delighted to have you here this morning as our first witness, and happy 1984.

## STATEMENT OF HON. RAY BARNHART, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, ACCOMPANIED BY LESTER P. LAMM, DEPUTY ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION

Mr. BARNHART. Thank you, Senator, and members of the committee. Les Lamm is with me and we really appreciate the opportunity to share some thoughts about this.

In spite of your effort to constrain me on being verbose, I want to say some kind words about this committee.

Senator SYMMS. We will give you extra time for that.

Mr. BARNHART. I thought you might.

Senator, you mentioned the majority and the minority members but for the majority of my experience with this committee I have not truly been able to distinguish the difference on a partisan perspective. I am so grateful to this committee for what you have done in taking the leadership on passing that act last year, which some of my Texas friends felt was rather traitorous and that I sold out to the eastern establishment in calling for more taxes, but I think you recognized the reality of the situation and the necessity of Federal involvement in transportation, and I share that and I applaud you for it.

While the bill has given us some heartburn in many areas, and you referred to some of that, Senator, on the whole I think it is a magnificent bill and a real tribute to this committee and others in industry who got together to see it was enacted. We are doing our best to implement this bill in the spirit in which it was passed. We do have some problems but far fewer problems frankly than I had anticipated and I think we have a magnificent record of implementation during this first year.

You mentioned the obligation of funds, and I am so proud of the obligation of an average $1.2 billion a month in the 9 months after passage of the act. That was done in cooperation with the States and I think most effectively. I do want to point out one thing in bragging about the Federal Highway Administration because everybody slams the bureaucracy and the people who constitute it but I have never encountered a more professional and dedicated group of people in my life than the people who serve the Federal Highway Administration. They have implemented this bill, I think, in a very prudent, evenhanded way. We have done it with a lower body count nationwide than at any time in the past 40 years and with an administrative overhead cost of 1 percent so that 99 cents out of every dollar that goes into that trust fund is returned to the States. I think it is a magnificent record and should be applauded and that is why I resent some of the cheap shots that are taken.

Senator **Symms**. Mr. Barnhart, according to Jack Anderson you and Les Lamm and the Federal Highway Administration are in bed with the cement mixers of America. Would you want to comment on that before you start?

Mr. **Barnhart**. I will check with my legal counsel but what I have to say will be temperate. I believe in a free press but I believe in a press being held accountable for its actions and being responsible, and there are some cheap shots taken in there that were totally untrue, misleading. People in this country are so cynical about Government and I resent very deeply when a person with the visibility that he has, or which Mr. Nader has, come out with unfounded accusations that smear an agency and its individuals.

I would like to give you a report on the status of the Federal Highway Administration's leadership in the investigation, the analysis of and the promotion of prestress pavement because it is a record that I am very proud of, and quite frankly I had some concerns when I first read that article in the New York Times on the 4th of July and 8 days after the media was asking for comments and response to Mr. Nader's letter. We finally received the letter, but public opinion is formed through demagoguery.

I was concerned that we may in fact have had an individual who might have been abused and because of that I retained special counsel of an authority to examine the procedures of the Federal Highway Administration and determine whether or not we had properly pursued the investigation of that technique. It was not done publicly because I don't think you ought to go out and do that kind of thing publicly, but I wanted to be sure that we were correct and have not been engaged in any cover up or slowdown in promotion of something that could be so important to the entire country. I am pleased that I finally got his report and now I am going to take some action, but Federal Highway has in fact received a clean bill of health from one of the country's foremost experts and I will be sending a letter to Mr. Anderson demanding a public retraction and apology to the individuals he maligned.

Senator **Moynihan**. Mr. Chairman, shouldn't the Administrator let us have a copy of that?

Mr. **Barnhart**. Yes, sir, you shall.

I am sorry I got carried away but I could not resist opening that up because we have got some problems on implementation of some of these provisions in this act but I truly believe that the people in Federal Highway have done their level best to be fair and impartial and prudent stewards of our trust that you have imposed on us in administering this act.

Well, I have got a long statement and I want to submit it for the record. I do hope you look at it because it does contain an awful lot of information here regarding our obligation of funds and our trying to put the new dollars where they ought to be in reconstructing and protecting this tremendous investment that we have made over the years in this highway program. I am very proud of what we have done. We do have some serious truck issues, there is no question about it.

Senator Moynihan, I would point out that here we were in a totally new area, getting into what is perceived in some quarters as an intrusion into States rights on the designating of roadways. But the whole history of Federal Highway Administration has been one of working cooperatively with the States, not with the heavy hand of Federal Government but working cooperatively to resolve problems and to avoid problems. If you realize that we are working with 50 different States plus the District of Columbia and Puerto Rico, 52 jurisdictions, and out of all of those 52 we have had only 5 legal actions brought against us in this new area, I think it is a magnificent record, not just for Federal Highway but for the States themselves because we have been working together to eliminate those areas that had previously been designated in order to meet the congressional time schedule.

We have deleted those unsafe areas, and incidentally we have been in meetings with Commissioner Ameruso of New York who will testify. It has been a very constructive meeting and I do think that we are going to be able to resolve our problems but I will let him address that issue, I don't want to put words in his mouth. We are going to have some differences, there is no question about it, but I do not think that we will compromise a concern for safety as we go through the designations.

We have not made recommendations on the heavy truck tax alternative, Senator, that you mentioned. We analyzed various options as the Congress directed us to do and we sped up that process because it is such an important issue not for the trucking industry but for the consumer who has to pay the tab and, because it is so important to this country, we came up with that analysis a year ahead of schedule.

Now basically we have identified several options that we regard as revenue neutral; each one has its good points, some of them have their bad points. It will be between the House and the Senate to come up with a compromise but what we have said is we must have something that is revenue neutral, something that is not complicated to collect and something that does not do serious damage to the equity issue regarding the amount of dollars that are chargeable against each class of vehicle regarding its fair share and cost of the highway program.

We had actually recommended in DOT a higher percentage of contribution by heavy trucks than the Congress arrived at. It was a political, realistic compromise. What the Congress will do I don't know but I do not apologize for the total amount of taxes that are levied against the trucking industry. Certainly there are options on how to collect those dollars that may be less severe and less injurious to the trucking industry. We will certainly want to work with you in developing some kind of a compromise if you should choose.

Senator RANDOLPH. Mr. Chairman, would it be wrong for me to interject just a moment?

Senator SYMMS. Go right ahead.

Senator RANDOLPH. We talk about the troubles that the Federal Highway Administration has had with the highway departments, in several States. How many States have sued the U.S. Government over these problems?

Mr. BARNHART. Only 5 out of the 52 jurisdictions. I had anticipated 17, by the way.

Senator RANDOLPH. Yes.

Senator SYMMS. What is the subject of most of the suits?

Mr. LAMM. In each of the five suits that Mr. Barnhart is mentioning the main issue is over the proper Federal versus State role in identifying the system that finally is made ineligible for the use of the larger, heavier vehicles.

Senator MOYNIHAN. If you primarily wanted safety.

Mr. LAMM. In any case the allegation is that some of the routes that were originally designated by the Federal Highway Administration would not safely carry vehicles, yes, sir.

Senator SYMMS. Are there any setups that you get sued on right off?

Mr. LAMM. In addition to the five individual State suits we have had two general suits over the route designation issue, one from a group related to the safety area and one from different representatives of the trucking industry. Those cases both would indicate that we are probably in a very firm middle ground as far as the designation of the system since it is evident that one group of petitioners would like us to remove some of the routes from the designated system and the other group of petitioners would like us to add further groups to the system.

Senator RANDOLPH. May I go further? I think this is important for the record or I would not pursue it.

Let's take the State of West Virginia, we had some problems with so-called designation on what we know as mountain roads, is that right, Mr. Lamm?

Mr. LAMM. We had some discussion, Senator Randolph, with the State of West Virginia over certain individual routes as to whether they properly carry the larger and heavier vehicles, yes, sir.

Senator RANDOLPH. But we did not sue, did we?

Mr. **Lamm**. No, sir.

Senator **Randolph**. We worked it out, isn't that correct?

Mr. **Lamm**. Yes, that is right, Senator.

Senator **Randolph**. And we worked out, I think, a reasonable, amicable effort which I would like to see us do and I only mention that because West Virginians are very agreeable people.

Mr. **Barnhart**. Most of the time, Senator.

Senator **Symms**. If they are like you, Senator, we don't have any argument about that.

Senator **Randolph**. I cannot tell you how much I appreciated you going back in history today. You know when we think back to these earlier periods of time, I am conscious of them and sometimes it takes a long time to bring something about as you know. I will be charged with nostalgia but I remember so very well when I offered what later became the Interstate Highway System, practically the same program, and I offered it in 1937. We had hearings and I was a member of the Roads Committee as we then had it in the House.

I remember so very well that Wilburn Cartright of Oklahoma was the chairman of the committee and the bill was to be heard and he came to me and he pleaded with me to chair the meetings and I said, why. Well, he said, Tom MacDonald is against this program.

Senator **Moynihan**. He knew exactly what was involved.

Senator **Randolph**. Yes. He said he did not want to spend any money, or words to that effect.

So I did chair those hearings and of course in 1937 it passed and finally 19 years later we had what we should have had many years before. But it is the give and take as we understand that bring these programs into being. I cherish the memories, Mr. Chairman.

I am a strong believer in the very best of transportation to this country. I think it is a vitality that is built into our system that we must not allow to deteriorate to any degree or we injure the Nation as a whole regardless of the problems that arise in the various States.

I am sorry to have taken this time. I will have a question or two for Mr. Barnhart later.

Mr. **Barnhart**. We do have a problem on access also and we are working that out. This is such a diverse country and all of us want to interpret things in terms of our own experiences instead of looking at the broader picture—the diversity of the country from New York City compared to the Panhandle of Texas. We should not as a Federal body, I don't believe, try to dictate every iota of the program but work with the States in the development of access.

Certainly it is going to be a growth process. I think it will evolve. You mentioned the problems. We have got a more serious problem. Most people were in a state of euphoria in the highway community when you all led the way on the passage of the gas tax but along about August we said the States were not home free because we have got to have an ICE; that is, interstate cost estimate. It is terribly disturbing to me that we are sitting on $5.4 billion that we cannot distribute to the States because that technical thing has not been approved.

Again I recognize the pressures that are on Members of Congress when the people who elect you demand that you produce for them or you lose their support. At the same time this is the one Federal-State program that I think truly works and I hate to see it bogged down because of special projects which bring us to an impasse where we cannot get the money out that the States need. And it is no secret, we are in a logjam between the House and the Senate on trying to reconcile this ICE.

I would plead that we have a clean ICE, not with a bunch of special projects, because if one group puts one in, somebody else is going to put one in and we have got a major stumbling block on the major project up in Boston. If I were in Boston, I would not want that thing there either. I don't like elevated structures but all we can do is interpret the law. If the Congress says it is eligible, it will be eligible. I do not think it is in the best interests of the highway program if the Congress should do that and I will say that quite frankly because here we have a billion dollars a mile project that is not eligible for Federal funding, $1.7 billion that would have to come out of the allocations of the other States and we have said we are going to complete the Interstate System by 1990. If this becomes eligible and sets a precedent for other projects, we will never make that and some of the inequities in funding and distribution of the States will be perpetuated.

As I look at that situation up there I see that withdrawals of highway segments over the years have brought an entitlement for substitution to transit of over $1.5 billion already and it seems improper then to penalize Idaho or West Virginia or New York or Texas or any other State in order to come back and fund something that does not truly contribute to the improvement of transportation and that is not under the law eligible for funding at this time. I can understand people advocating some of these projects, but I think it would do a serious injury to the country as a whole to open the door for additional billions of dollars of expenditure before we have completed or preserved that which is giving us the immediate problem.

But until we get that ICE, we have 30 States that are out of funds and more States getting into a real bind. We have one State that has pursued a project for years and they desperately need $50 million for a tunnel which is the key to the entire development; it will set them back literally months and months and add additional costs to the project unless we can get the ICE out where we can then distribute these funds.

Senator SYMMS. Which State is that?

Mr. BARNHART. That happens to be down in Arizona, it is not in Texas. But we have comparable situations around the country so it is not in malice that I oppose some projects but I am concerned for what this program means to the country as a whole. I don't know how to emphasize that. I guess maybe I have spoken too much but that is as I see it.

Senator SYMMS. Thank you very much.

Your entire statement, Ray, will be made part of the record.

Are there any other points in your statement you wanted to emphasize before I ask a couple questions?

Mr. Barnhart. Well, what did I leave out? You know, this is such a marvelous program and it is so complex, I could go on for an hour.

Senator Symms. One thing about you, Mr. Administrator, we are not going to put you down as undecided about being pro highway.

Mr. Barnhart. Well, I will support transit, too, and we are placing a lot of emphasis in working with UMTA.

Senator Symms. I should have said transportation.

Mr. Barnhart. They are appropriate in some spots.

Senator Symms. Well, now, speaking of the truck tax issue, do you anticipate any problems of collection because in my opinion it is almost a fait accompli now as far as the Senate Finance Committee—which several members of this committee sit on—that the truck users' fee is going to be changed and there is going to be a heavier emphasis on a diesel differential to pay for the difference using some of those alternatives or one of those many alternatives that the DOT study can now do.

Do you anticipate any problems with collection if we would go to the diesel differential?

Mr. Barnhart. No. Senator, we do not have an administration position on this. Now that does not imply that there is a division of thought within DOT regarding it, we just have not officially adopted a position. Certainly there is a strong movement for a diesel differential and from a personal point of view I think you know that for over a year I have advocated a diesel differential in combination with a use tax but not of the magnitude that the present bill provides but I believe on a pay-as-you-go process and it would seem to me that some combination of a diesel differential—that is the same diesel differential, by the way, in combination with the use tax—would be much easier for industry to pay for and still not impose a burden of collection but that is a personal view and I do not speak for the administration as a whole.

Senator Symms. Of these alternatives of the DOT I note that DOT No. 2 which is a 5-cent diesel differential and a $78 use fee starting at 26,000 pounds and then add $3 a thousand up to $240 up to an 80,000 pound truck comes out just slightly short as far as being revenue neutral. If you look on table 63, it shows it at seven-tenths of a billion short over the 4 year period. I am told by a lot of truckers in my State that if we have a diesel differential that the revenue collections will be much higher than relying solely on the user's fee and that the Federal Highway Administration will actually receive more dollars even with the differential we are putting out.

Mr. Barnhart. Yes, but I think, Senator, that given that move that you would have some warping of that equity issue of the payment between classes of users. I think the $240 personally would not meet the standard of equity between classes of users.

Senator Symms. Well, DOT 4, is that fairly neutral?

Mr. Barnhart. In my longer statement we have different options that we regard as being revenue neutral but we do not recommend one over the other although there are pluses and minuses for each one.

Mr. Lamm. On that same table you referred to, Mr. Chairman, there is a column which is headed 1985 R over C which is revenue over cost and that is the column that indicates whether or not equity is changed in each of these alternatives. The STAA 1982 at the top of the table serves as the base and in that column you will see that the numbers there represent single unit trucks which, in the mix of taxes that were passed on the STAA, pay slightly more. The 1.0 on those tables would be perfect equity.

The single unit trucks as a group pay $1.14 for every dollar of costs that are occasioned. Combination trucks which are, generally speaking, vehicles of 50,000 or more pounds registered weight would pay 82 cents on the dollar and the heavier groups of trucks, which is 75,000 pounds and up, pay 66 cents on the dollar.

As Ray mentioned, one of the criteria that we have been looking at within the Department is to make sure that that equity balance which was, as Ray mentioned, a compromise between the cost allocation study we submitted to Congress and the one which ATA conducted is not further modified in the congressional deliberations that might take place this year. If you look at DOT 2 on that column, you would see that the cost for the single unit trucks, the lighter trucks in general, were increased to $1.27 that they would be occasioned to pay for every dollar of cost that they were computed whereas the heavier vehicles' share would go down from the base case. That is the point of equity that Ray was mentioning.

On the compliance issue in the full report, we do have some discussions that were generated largely from the Treasury Department on the issue of compliance. Compliance is viewed by many people as being an issue that could go either way. It is very hard to estimate what today's lack of compliance is because by definition we don't know who is not paying various taxes. You do have people say that our use tax is hard to audit to make sure of compliance. On the other hand, Congress in the STAA put in a section that would require the States to assure compliance with the use tax.

On the diesel differential, and particularly in portions of the country where there is either a heavy current usage of home heating fuel or heavy use of diesel fuel for agricultural purposes, other people might say there is a very large possibility of low compliance with the diesel differential particularly if the differential itself goes up and becomes somewhat cost effective to avoid paying that differential.

Mr. **Barnhart**. Because you can substitute other fuels for the diesel.

I would like to mention one other thing that has not been mentioned thus far and get my licks in before I use up my time. We were talking about revenue and revenue neutrality. The Congress is also looking at some exemptions that would further compound the problem, the gasohol exemption that has been discussed. DOT has taken a firm position on this and on the piggyback trailer exemption. We are already subsidizing the gasohol industry to the tune of a quarter of a billion dollars and if there is a further exemption granted to gasohol we can see a projection of over a billion dollars impact on the trust fund. It isn't that I don't like piggyback trailers, that is fine, they don't wear out the roads as much, but they still use the roads and to grant an exemption of the sales tax from piggyback trailers I think will warp the industry where people will be buying piggyback trailers, stripping them down and still netting $400 or $500 advantage which means a loss to the trust fund.

Senator **Symms**. Do you think it might be more equitable if we just outright repealed the tax in the Finance Committee, just repealed the excise tax on trailers entirely and add 1 cent on the differential so everybody would pay their fair share and it would be equal for everybody that way?

Mr. **Barnhart**. I wouldn't touch that with a 10-foot pole.

Senator **Symms**. That would be a simple way to solve it and then nobody would get hurt. If you want to haul it on a train, haul it on a train.

Mr. **Barnhart**. If you increase a diesel differential to a very high rate, then I think it does further damage on the sales of diesel automobiles for the industry, it puts them in a real bind. I don't think we can have such a great differential that it does damage to that industry nor that it encourages deception by the burning of home heating fuel in trucks. I don't think we ought to make criminals out of people and that is what we would be doing encouraging violation of the law by adding too much incentive to cheat.

Senator **Symms**. Where do you think the breaking point would be?

Mr. **Barnhart**. Well, Senator, you ask me a very difficult question especially since we have not adopted a position on this. Let me just say we would be delighted to work with the committee and run figures and calculations for you as we did last year to show you the impact of some of these options. I would be happy to do that. I think any time you get up much above 5 cents you are really going to take a chance on warping the usage situation.

Senator **Symms**. My friends in the wholesale petroleum business tell me that is not going to be as big a problem as some people anticipate, it is not that easy to avoid the taxes, and, like you say, if it would be somewhere around 5, 6, 7 cents, it is not going to create a problem. Maybe at 15 cents it would be another matter.

Mr. **Barnhart**. Well, I have never doubted American ingenuity, Senator.

Senator **Symms**. On gasohol I suggested in the Finance Committee that they give gasohol the full exemption on 1 gallon of alcohol fuel but no exemption on the fuel that is mixed in with it.

Mr. **Barnhart**. I will buy that.

Senator **Symms**. I think I am going to press for that. It is going to come up in the Finance Committee but I agree with you that we are going to develop a situation where States like Oklahoma, Louisiana, Texas that are oil producing States and are donor States will be asked by the Midwestern agricultural States to send more money for their highways and they won't be paying their highway taxes. Iowa is a classic example and it creates so much dissention that in another 4 or 5 years we won't have a trust fund.

Mr. **Barnhart**. It is not just at the Federal level but what we do sets a precedent for States to follow. Many States are emulating that gasohol exemption and raising havoc within their own States because of those political pressures. Some of these States are really beginning to suffer as a result of the expanded use of that option so we have very firm feelings on that.

Senator SYMMS. I remember the University of Idaho College of Agriculture a few years ago did a research project on gasohol because we are an agricultural State and there is a lot of political talk about it that we use potatoes and grain and so forth to make our own fuel. When they got through with the study they had three recommendations at the end and one of them was to drill more oil wells, the second was to dig more coal out of the ground and the third to build nuclear powerplants, that it was not efficient to make gasohol. I thought it was rather unusual for an agricultural college to come to that recommendation They don't take that position with respect to some of their seed crops. They say there are oil seeds that they can grow and squeeze the oil out, put it in diesel and make it burn but with the actual gasohol they are not strong on it at all.

Mr. BARNHART. We will be happy to work with this committee as we always have.

Senator SYMMS. Do my colleagues have any questions?

We will move ahead here.

Mr. BARNHART. Let me mention one last thing if I might and that is uniformity. The Secretary submitted some uniformity legislation. As I look at this transportation network we have and some of the complexities involved in permitting vehicles to go from State to State, it is unconscionable that we have developed the bureaucracy and the tremendous costs involved simply to get permits to go from one State to another. You have to go to four or five different places to get what you need.

I would hope that the Congress would look seriously at this issue, not again just for the trucking industry but for the consumer who has to pay that unconscionable tax. We don't really want to intrude into the States rights to look at their own tax structure within the State but certainly they can have some centralized permitting. When one realizes that to legalize 1 tractor trailer for interstate travel across in this country you have got to have 87 application forms and 84 stickers on your rig and file 205 quarterly and semiannual reports, it is a terribly nonproductive waste of money. I sure hope that the Congress will look sympathetically at what the Secretary is attempting to do on uniformity in the same way in what she is attempting to do on the new safety administration and the combining elements of BMCS and the elements of NHTSA again to make more vivid our concern for safety and to more efficiently administer these programs. We have some difficulties in working them out but I think we are going to be able to work them out and I urge the Congress to give us a hand.

Senator MOYNIHAN. Mr. Chairman, since our distinguished Administrator raises the question of safety, can I just ask you, on the question of the designated truck network and reasonable access, you have a procedure for designating reasonable access from the primary to the interstate. That I think is working well, it is a good sense procedure and administration but the problem that we raise with you is that with respect to the Interstate System itself there is no procedure, is that not correct, that it is designated to be the large trucks have access to the Interstate System, period?

Mr. BARNHART. That is the language. However, there is a savings clause because of safety which we administratively can handle.

Les, you have done a lot of work on that.

Mr. LAMM. In the particular point you are raising, Senator Moynihan, we testified before this committee last year and also have corresponded with you and others interested in this issue. We believe we have administrative latitude to take an existing interstate route which is not sufficiently built to today's standards to warrant carrying larger vehicles and administratively impose operating restrictions on that route.

Senator MOYNIHAN. Have you done so in this instance?

Mr. LAMM. Yes, sir, we have. In particular in answer to your question previously concerning the New York City system I would amplify what Mr. Barnhart said and that is that our staff has been working with New York DOT and the city's DOT to establish a system for the New York City area. We did, as you know, have a period of time when we were taking questions from the public, taking comments and proposals from the public, on either deletions or additions to the system and we found, for instance, in the New York area that there is a great deal of economic activity on Long Island where people would like to be able to get through New York City to other sources of either destination or origin of their goods.

In other cases a large proportion of the truck demand which is bound for the New England States has to come through the New York metropolitan region. So what we have been working with in our discussions with the State and city is to allow at the very least a reasonable route to New England and to Long Island and at the same time recognizing that the city in particular would like restrictions by hour of the day on most of the interstate routes into the New York City area. We think that is feasible. That is one of the items where we have worked with other States previously in developing an agreement in the system.

Senator MOYNIHAN. That surely is an open response to my question and I thank you for it.

Could I ask, Mr. Chairman, if the committee could get a list of those instances in which portions of the existing designated Interstate System have for safety reasons been exempted from this?

Mr. LAMM. Yes, sir, we can get that for the committee.

Senator SYMMS. Certainly.

[The information requested follows:]

### SAFETY RELATED TRUCK RESTRICTIONS ON THE INTERSTATE SYSTEM

The FHWA has tentatively agreed to some operating restrictions on large trucks on the following Interstate routes: I-93 and I-95 in and near Boston; I-391 near Chicopee, MA; all Interstates in New York City; I-895 Baltimore Harbor Tunnel; and I-264 Elizabeth River Downtown Tunnel between Norfolk and Portsmouth, VA. The FHWA will publish the type of restrictions allowed in the final rule on the National Truck Network.

In addition, there are complete truck restrictions on those highways where no trucks were permitted on the date of STAA enactment (e.g., I-66 in northern Virginia and the District of Columbia). These total approximately 400 miles of Interstate highway. In the Atlanta area, through trucks are restricted to use of the I-285 Beltway. Therefore, approximately 60 miles of Atlanta area Interstate are restricted to local access only. Nationwide, hazardous materials are restricted on approximatley 50 miles of Interstate

Mr. BARNHART. As well as other restrictions on the use of particular routes, we have tried most sincerely to be aware of the safety problem.

Senator **Moynihan**. But you do know that when the State of Florida tried to set up hours of access regulation, I think you sued.

Mr. **Barnhart**. Yes, indeed.

Mr. **Lamm**. In that particular case day and hourly restrictions were banning all traffic on every mile of urban Interstate between the hours of 7 a.m. and 7 p.m. That in effect puts all of the larger vehicles on the Interstate System after dark which of course is somewhat of an unreasonable limit on economic activity.

Senator **Symms**. Senator Randolph.

Senator **Randolph**. Quickly I would like to ask you, Mr. Barnhart, how serious would the highway problems be if a proposed alternative tax on heavy trucks were not what we call exactly revenue neutral but had a small—it might be, of course, small—several hundred million dollars shortfall?

Mr. **Barnhart**. Small in terms of constituents' questions or small in terms of the Congress? What is revenue neutral? That is a serious question.

Senator **Randolph**. It is.

Mr. **Barnhart**. I don't mean to make light of it. I do not think revenue neutrality means dollar for dollar balance because there is some hypothesizing and projections but certainly there are limits. If we run a half a billion dollars or three-quarters of a billion dollars short on projections, I would not think that that would be exactly revenue neutral. I think we would have to look at the specifics of it, Senator.

Senator **Randolph**. Yes.

Mr. **Barnhart**. But the Congress committed *x* dollars to completing the Interstate and we are trying to live up to that but I think there is some latitude, some give and take, on revenue neutral.

Senator **Symms**. Let me ask you a question related to Senator Randolph's question because it is of interest to me. DOT No. 2 recommends that it is a little short of revenue neutral and DOT No. 4 is revenue neutral. Do you think DOT would look favorably upon posing DOT No. 2? I know you have not taken a position with the trigger in it that if it didn't raise as much money as what is projected by the old study that you would have a trigger that it would switch to four after a couple of years, say?

Mr. **Barnhart**. Well, we don't have that type of situation but more than that, Senator, we set up three criteria: revenue neutrality, equity and ease of collection. I am not sure that that would meet all three and especially the equity issue. I don't know.

Senator **Symms**. Well, I guess we could do it the other way but it seems like the taxpayers always end up on the short end of the stick when we do it that way and that would be if we invoke DOT 4 or something close to that which is revenue neutral and it is fairly close on equality. I think it goes from $1.14 to $1.17 as far as the light trucks are concerned. Then if it raised more money than we had authorized in our highway program, do you think that the DOT would look favorably upon reducing part of the tax back in a couple of years?

Mr. **Barnhart**. Well, I don't know, Senator.

Senator **Symms**. I guess we could put it in the law that way.

Mr. **Barnhart**. Yes, whatever you do to implement it.

Mr. LAMM. There is one other point, Mr. Chairman, and that is at the time the STAA was passed we had been looking internally at the difference between the revenue raised and the STAA program dollars that were authorized in the STAA. As of the date the STAA was passed there were about $20 billion of previous authorizations that had not have been funded out of prior trust fund's revenues so even living within revenue within the STAA figures still leaves a problem later in the program. Either the revenues would have to be increased or extended within the life of the highway program or the highway programs would have to be reduced.

Mr. BARNHART. I think we have something over $9 billion in the trust fund but we have $36 billion obligated against that so we have to carry over. I tell you, I would like to cut a deal though and say I sure would push for something like that if we could eliminate some other expenditures in the program that the Congress has mandated that I don't think are transportation related. For instance, we spent a couple hundred million dollars on billboard regulations and we have a liability of over $300 million to regulate billboards. I sure would like to get out of that, in fact back to letting the States operate the program.

Senator SYMMS. Thank you very much.

Senator RANDOLPH. A final question, Mr. Chairman.

The 1982 act, as you know, was the highway program and not a jobs bill per se but I think the record should indicate how many workers have been employed under the provisions of that act.

Mr. BARNHART. Senator we are trying to pin that down because we have an article appear in the newspaper, a UPI release a couple weeks ago, that gave me heartburn because it was so disjointed and pulled out of context and it was the most inaccurate picture of what the highway program was. We never tried to sell it as a jobs creation bill but, by heaven, all you have to do is run around this country and you will see that jobs have in fact been created and I think very well. There is a lag time obviously in getting these projects to actual construction and out of plan stage. The States are obligated to do this and I think you are going to see that impact on personnel.

Do you have anything on that, Les?

Mr. LAMM. The numbers that we have used, Senator Randolph, is that for every billion dollars additional of highway dollars that are obligated to new projects the total additional creation of labor opportunity is in the range of 32,000-person years of employment. Person years of employment are individuals each working for 12 months. During the winter months obviously employment levels are down in many parts of the country just because of the weather and I don't believe it should be expected that we would see the full extra anticipated employment out working on, let's say, February 1, 1984. On the other hand, we know for sure that with the extra program dollars that were obligated by the States in fiscal year 1983, $4.6 billion more than fiscal year 1982 there will be an extra 4.6 times 32,000-person years of employment generated on down the line.

I would also mention that one of the adverse consequences of not having the approved interstate funds means that we have lost every bit of that benefit in fiscal 1984. As Mr. Barnhart mentioned, our highway program nationally is running at a level lower than it was the average of 5 previous years before the STAA was signed so these days we are not gaining one single extra personnel year of employment because we don't have the process approved.

Senator **Randolph**. I understand the implications but you have not yet answered me. How many extra people have been employed?

Mr. **Lamm**. There will be the 32,000 times the added revenues which will be about 160,000-person years of employment that already have been made possible.

Senator **Randolph**. Are you saying 160,000 persons are now employed?

Mr. **Lamm**. Roughly. They are not all on the job yet.

Senator **Randolph**. I understand.

Mr. **Lamm**. They will be employed over and above what the highway projects would have contributed before the STAA.

Senator **Moynihan**. May I pursue that, Mr. Chairman?

First of all, you recognize that any tax supported program simply shifts consumption from one area to another, so it is not all in favor of highway program numbers but 32,000-person years in highways. Most economists will tell you there are 32,000-person years less in some other activity, but did I hear you say that the actual levels of program in place is lower today than it has been over the last 5 years?

Mr. **Barnhart**. Yes, sir.

Mr. **Lamm**. It could well be. The Bureau of Labor Statistics is the one that measures the actual construction of employment and their lag in reporting is always sizable but by virtue of not having the $5.5 billion tied up in the interstate process and out there for obligation we are running at a pace below our case prior to the STAA.

Senator **Moynihan**. Mr. Chairman, can we not ask that the Administrator get us these numbers because it has been the constant theme of this committee since I have come on it 8 years ago that we are disinvesting in infrastructure. Here we passed this enormous legislation 2 years ago and we find out we have fewer people working on the system than were before we passed the legislation.

Mr. **Barnhart**. That stands to reason because we are standing on $5.4 billion that we cannot distribute for the obligations in the first quarter here than they were on the average over the previous 5 years. That is why we are so distressed about it.

Senator **Moynihan**. Give us those numbers and maybe we can help you.

Mr. **Barnhart**. We will have them to you this afternoon.

[The information requested follows:]

## Employment Impacts

While the 5-cent gas tax has stimulated employment in fiscal year 1983, the lack of an approved Interstate Cost Estimate (ICE) is already exerting a downward pressure on the program and employment. Although there were significant increases in the Federal-aid highway construction program each month since January 1983, we have now seen the first reduction in the program in December 1983 compared to December 1982. In the Interstate program, the decrease is even more dramatic. The obligations in December 1984, are only three-quarters of those in December 1983 ($460.3 million in 1983 compared to $315 million in 1984).

According to a recent AASHTO survey, if the ICE approval is delayed until March 1, 1984, 475 projects worth $1.24 billion will be impacted. We have estimated that as many as 32,000-person years of employment (in both the direct construction and related support industries) are generated by each $1 billion of highway investment. Based on this factor and the AASHTO data, we estimate that 40,000 jobs will be delayed. Over 170,000 jobs would be impacted if the ICE approval is not approved this fiscal year.

Senator MOYNIHAN. We passed the bill.

Mr. BARNHART. This bill provided other things, buy America and the DBE. We have set a new record in each year of an Administrator. We went to $233 million in minority contracts. In the last year of the previous administration we had $358 million. My first year we had $415 million. We had $720 million in this last year which is an alltime record and the States are working extremely well on implementing that provision. There are problems and there are many majority contractors, especially in specialty areas, that are being hurt because of the emphasis on getting minority contractors, disadvantaged contractors, into the system. I think that that will level off. It is a problem and I am sure you are going to be hearing a lot of complaints but I am very proud of what we were able to accomplish. I think the benefits are very real but we are going to have to do a lot of work.

Senator SYMMS. Thank you very much and my colleagues. If we have any other questions, we will submit them to you in writing. If we don't get moving here, we will be here until midnight.

Thank you very much for a very good testimony this morning. Ray and Les Lamm, we appreciate having you here.

Next we will hear panel No. 1, Mr. William Ordway, director of the Arizona Department of Transportation; Mr. Thomas D. Larsen, secretary, Pennsylvania Department of Transportation; and Mr. Lowell Bridwell, secretary, Maryland Department of Transportation.

## STATEMENT OF WILLIAM ORDWAY, DIRECTOR, ARIZONA DEPARTMENT OF TRANSPORTATION, AND PRESIDENT, AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS, ACCOMPANIED BY THOMAS D. LARSON, SECRETARY, PENNSYLVANIA DEPARTMENT OF TRANSPORTATION, AND CHAIRMAN, STANDING COMMITTEE ON PLANNING, AASHTO; AND LOWELL BRIDWELL, SECRETARY, MARYLAND DEPARTMENT OF TRANSPORTATION, AND CHAIRMAN, STEERING COMMITTEE ON MOTOR CARRIER TAXATION AND REGISTRATION ISSUES, AASHTO

Senator SYMMS. Mr. Ordway, you may commence. Are you all planning to testify or just Mr. Ordway and the others answer questions?

Mr. ORDWAY. Mr. Chairman, I will do the summary testimony. We will try to keep it brief. We are open to questions at the conclusion of that testimony.

I am Bill Ordway and I am president of the American Association of State Highway and Transportation Officials. I have with me today Tom Larson to my right who is the chairman of the standing committee on planning of our organization and also Lowell Bridwell on my left. Tom is the secretary of the Pennsylvania Department of Transportation and Lowell Bridwell is secretary of the Maryland Department of Transportation. These two gentleman were the leaders in a study which we will be talking about today relating to truck registration and taxation done under the direction of Tom's committee and Lowell headed up the steering committee. We will talk about that study.

I am also director of the Arizona Department of Transportation. Parenthetically, Mr. Chairman, I have to say that Mr. Barnhart's testimony relating to the Arizona tunnels was brilliant.

We would like to take a moment if we could before getting into truck testimony—by the way, we have submitted the full testimony which includes this report to the members of your committee and to the staff.

Senator SYMMS. Your entire statement will be made part of the record.

Mr. ORDWAY. Along with this report that we have done.

Senator SYMMS. That report will probably be part of our committee file.

Mr. ORDWAY. Yes, it should be, it is this document right here.

I would like to very briefly comment on some of Mr. Barnhart's comments regarding the lack of passage of the ICE and ISCE. As far as we in AASHTO are concerned, this is an enormous problem for the States. We have done a recent survey which we have submitted to Congressman Howard and Senator Stafford, I suspect you have it, which shows how we are falling behind increasingly in the States. In Arizona we have over $100 million of work waiting to go, and I imagine these two gentlemen would say similar things. It is a terrible concern to us and we are most anxious that we move ahead. Right now, for example, we have almost $800 million as of February 1 representing 170 projects that could go immediately. By March 1 that will jump to 475 projects with a value of over $1 billion. We are also concerned about 1985, the ISCE is coming in shortly for 1985 and if we are going to plan our programs we need to move ahead on this ICE and I cannot overemphasize the urgency that AASHTO feels for this particular subject.

We have other comments on the STAA. The 1982 act, basically, we think is going well. Now I would like to move on to the truck-related issues.

There has been some discussion this morning as to the prohibition of States from placing less than an 80,000-pound limit, establishing a national width of 102 inches, and eliminated the ability of States to regulate truck widths in the past and called for the designation of national truck routes. Now each of these provisions has caused some problems for the States and we are presenting to you in our more detailed testimony the two resolutions which the AASHTO Policy Committee passed.

The first resolution very briefly recommends, and this was discussed earlier, giving the Secretary of Transportation the discretionary authority to allow the States to establish and maintain and enforce State laws limiting the operation of the 102-inch wide trucks and tandems to those segments of the Interstate Highway Systems that are engineeringly capable of safely accommodating the equipment, just limiting it to those sections. One of our resolutions addresses this and we are pleased to see that Senator Moynihan has introduced the bill that he discussed that deals with that issue.

The second resolution concerns section 411(b) of the act and it regards the grandfather provisions. AASHTO believes the law should be clarified to make its enforcement more practical, as our second October resolution describes. I won't discuss the details of that.

Mr. Chairman, we previously submitted testimony to your committee outlining our support of the FHWA study on cost allocation. This study really is the keystone and the foundation of the recommendations that are set forth in this report regarding taxation and we are particularly concerned about pending legislative efforts to take action changing the heavy truck taxation provisions of the 1982 Act.

Last August at your Idaho hearing we advised your committee about the creation of a steering committee headed by Lowell Bridwell to conduct a study of motor carrier taxation and registration issues. The steering committee has completed its work and we have provided the members of your committee with a copy of the report as I mentioned earlier.

The final report which has now been accepted by the AASHTO Executive Committee and becomes therefore an AASHTO study, analyzes taxation, and registration issues facing our heavy trucks in greater depth than has ever been done before. I don't think there is anything that approaches this study in terms of detailed work, and as such the information it contains should be of value to anyone dealing with the issues involved, whether at the Federal or State level, within the motor carrier industry, Congress or who have you. It documents the issues involved with the various proposals that have been put forward by interested agencies and associations, and describes and evaluates the alternatives and options.

By the way, as a point of interest, independently of but in coordination with our AASHTO Steering Committee, the National Governors' Association put together a policy statement at the national level that involved a number of organizations and have come out with a statement of principles which in many ways are compatible with the findings of our final report.

Based upon the analysis performed in our study, the AASHTO Steering Committee has put forward recommendations in two areas: Amendments to the heavy vehicle use tax enacted by the Surface Transportation Assistance Act of 1982, and a means to achieve uniformity in State motor carrier taxation and registration procedures. Two resolutions passed by the steering committee were considered and amended by our executive committee last Friday, and copies are attached to our testimony. The resolutions as passed by our executive committee contain the following recommendations. By the way, I want to emphasize right here that the recommendations of the executive committee still go on to the AASHTO Policy Committee on February 24, for their consideration.

Recommendations on the heavy vehicle user tax are as follows:

No truck tax should be substituted for the current heavy vehicle use tax unless such tax raises at least equal revenues for highway purposes, provides at least equal equity, and is administratively efficient.

Senator SYMMS. What page are you on?

Mr. ORDWAY. I am using a summary here that has not been made available to you. I don't know if we did give you that.

Senator SYMMS. Go ahead.

Mr. ORDWAY. What is contained in the executive committee resolutions, at the back of your report, this is a summary of that resolution.

Second, a Federal weight-distance tax should be considered as a replacement for the heavy vehicle use tax and all other Federal highway user charges except fuel taxes. This tax should be designed to yield at least equal revenues for highway purposes and to provide equity among users.

Finally, the resolution passed last Friday, states that such a tax should be administered by State governments with Federal reimbursement for the costs involved.

Now moving to uniformity which is the second major issue dealt with in this report, some of the recommendations are as follow, and this has been accepted by the executive committee.

There should be no Federal restrictions on the ability of the States to enact and set the rates of major highway use taxes based upon registration, fuel purchase and use, and the weight of the vehicle and distance traveled.

That uniformity be achieved at a minimum for registration and fuel use reporting through a system premised on the base State reporting of mileage and fuel purchases by State. This system would cover both inter- and intra-state trucks and encourage a single institutional contact and a single form for reporting in each State. There should be an institutional mechanism to administer and enforce the uniform system, and we suggest in this report that all States participate. This institutional mechanism would have certain basic functions including data processing and central storage and retrieval, exchange of data from required reports of motor carriers and from all field data relating to enforcement, administration of a combined IRP and fuel tax, and establishment of standards for auditing and other items necessary to minimize tax evasion. The institutional mechanism would also perform additional functions on a voluntary negotiated basis as the States find necessary.

Now we suggest that a task force should be convened by the States to consider and recommend mechanisms by which the States can implement these concepts. This task force should involve representatives of AASHTO and other interested organizations of State officials including regulatory commissioners, tax administrators, vehicle administrators and legislators and so on to get together and to implement these ideas.

We also support Federal legislation to insure that the policies listed above are, within a reasonable time, adopted by all the States.

Now these actions represent steps on the part of the States without the necessity to preempt the Federal legislation and we want to make that point. The steering committee study concludes that a flat differential diesel tax reduces equity among vehicle classes more than any other alternative. It thus moves away from the findings of the Federal Highway Cost Association Study and would significantly shift responsibility of the heaviest trucks to other users, particularly the light to medium trucks.

I might add as a bit of information here we in 1985 estimate that roughly 2.5 million trucks of over 10,000 pounds paying the diesel differential, 3.6 million trucks and light trucks and cars under 10,000 pounds which administratively would be looking for reimbursement on the diesel differential. We view that as an administrative problem.

The steering committee also determined that a weight-distance tax, substituting for the heavy vehicle user tax and excise taxes of the STAA of 1982, provides the greatest improvement in equity among and within vehicle classes than any other alternative considered, and believe me there were a number of alternatives considered in the study. Moreover, this particular option eliminates the truck sales tax, which the final report states has the greatest impact on small operators' cash flow, which is poorly related to cost responsibility and which has relatively high administrative costs since it was changed to a retail tax in the STAA of 1982. This option would also reduce the initial lump sum, front-end burden of truck sales and tire taxes.

In terms of the net sum of annual administrative costs, compliance costs and evasion costs, a Federal weight-distance tax, administered by the States, is the only proposed alternative which would reduce—reduce—the total of these annual costs when compared to the existing heavy vehicle use tax.

As you know, Mr. Chairman, U.S. DOT Secretary Dole has had legislation introduced that would authorize her to establish a working group of State representatives to advise within 12 months on regulations to be promulgated dealing with uniform State registration and taxation procedures.

This bill would also allow the Secretary to reject summarily the working group's recommendations and unilaterally promulgate Federal regulations, preempting State authority in this area. This could set a precedent for potential future actions in other areas of State taxation and this is one of the major reasons that we went into the AASHTO study ourselves to look for a safe way to solve the problems.

Mr. Chairman, I would again note that neither the steering committee resolutions in the final report nor the two executive committee resolutions now represent as of this time AASHTO policy. We will be meeting on February 24 and will consider all four of these resolutions at that time.

Thank you for the opportunity to testify.

Senator Symms. Thank you very much.

Senator Moynihan, do you have any questions?

Senator Moynihan. Mr. Chairman, I first want to thank Mr. Ordway for his steady, capable, and convincing testimony.

I welcome my old friend Lowell Bridwell with whom we have had many a long, happy experience and I want to thank AASHTO for their resolution on this question of safety in those segments of the Interstate System built before the current design standards.

I wish I could persuade the Federal Highway Administration that it is in their interest to have some flexibility here but the counsel to this committee has said that in his judgment the 1982 act does not really give the Administrator the discretion which the Administrator thinks he has and that court case has not held up.

Why not do it openly and directly? It is strange how incapable some institutions can be of seeing what is going to happen.

The first day 10 children in Philadelphia are crushed to death by a tandem trailer there is going to be hell to pay. All these people who are indifferent now are going to be the ones who are recognized, but anyway I think you are right and who would know more than you on this matter? I mean you are talking about your highways and I thank you for your resolution and we will press the matter. We have a problem with what you have proposed is just a bit too sensible to have drawn prospects, and the way we do things around here, but thank God for you and thank you very much for your resolution.

Mr. Bridwell. Senator Moynihan, may I comment?

Senator Moynihan. Please do.

Mr. Bridwell. In the case of Maryland, the troubles that New York State has encountered after getting off to a rather rocky start, we were able to sit down with the Federal Highway Administration and reason together and solve the dilemma of the Interstate System and other highways that would be part of the designated truck route system. I just simply comment that as you probably know, Senator, I do have some familiarity of your problems in New York City.

Senator Moynihan. Yes, sir.

Mr. Bridwell. And it is quite clear that you have a very unique problem there. You mentioned the problems of tandems. I would also suggest that some of your city expressway system clearly was built to standards that would not meet current interstate design standards and it is quite clear that roadway geometry and some of your ramp degrees and curvature and so forth simply do not accommodate large trucks, and not only the tandems but the 102-inch trucks.

The other point that I want to make and the reason that I think AASHTO is endorsing your legislation goes back to your comment earlier that accidents are clearly predictable within some reasonable range of accuracy. I think one of the problems is that in trying to address the safety issue we have explored this quite thoroughly and have come up with the hard data on the basis of accidents and the causing factors of accidents is a little bit easier said than done so there has to be some known judgment that goes into the question of safety. So having shared the responsibility between the Federal Government and the States, we think it makes eminent good sense.

Senator Moynihan. I thank you for that, sir, and I repeat your phrase roadway geometry. These are mathematical matters. If you were to get a bright young graduate student in systems analysis at Johns Hopkins and tell him to do a dissertation for you, construct the model of the use of certain ramps, certain curves radii, things like that, and *x* number of props, this type of size, that number of weight will turn over in the course of a 5-year period. He would come up with that for you and he would not be far wrong.

Senator Symms. Thank you very much.

We have worked on several different highway projects since I have been chairman of this committee. I am going to submit some questions to you in writing. I am just going to ask one question now so we can move along.

I think, Tom Larson, you headed up that study. How much do you think it would cost if a distance or weight-distance tax is put into effect in terms of collection?

I have always been told that it would be very difficult to get everybody to file their mileage and keep track of it. What do you say to that criticism?

Mr. LARSON. There is in fact anecdotal experience which speaks to this and if the others may just give one line each I will give just one line and that is in Oregon they have had a weight-distance tax for 36 years and their administrative costs are between 5 and 7 percent.

Senator SYMMS. Do they collect it all?

Mr. BRIDWELL. Ninety-five percent.

Mr. ORDWAY. We have had one in Arizona roughly a year and a half and our administrative costs did not go up at all. When we moved to that tax the carriers prior to that tax were still submitting mileage and our tax is simply registration weight which they have to do in mileage which they have to submit so our costs have not gone up. One thing that we think we need to do would be increase our administrative costs but to some extent by doing more auditing than we are doing. I cannot give you a figure.

Senator SYMMS. Do they pay the same tax if they are deadheading empty or how does that work?

Mr. ORDWAY. It reduces the tax somewhat if they can make a statement of fact that a certain percentage of their time in travel is empty, then the mileage tax is reduced.

Senator SYMMS. Did you want to comment on that, Mr. Bridwell?

Mr. BRIDWELL. Just simply that I think the statements that have been made in terms of administrative costs by opponents of weight-distance have been grossly exaggerated. I just call your attention to chapter 6 of this report in which there are a series of tables which put together administrative costs, compliance cost on the part of the trucker and evasion rates. I think that table, assuming it is accurate, clearly demonstrates that the total cost of the administration compliance and evasion is less for weight-distance than it is for others.

There is no question but what with a good auditing rate and for the purposes of this report we have estimated 25 percent auditing rate with the cost of the States will be increased over what they would be for other forms of taxation but when you look at the total cost picture then it is actually less. We just simply very fundamentally disagree that evasion is very light in terms of diesel differential and that does not even take into account the fact that we have 3.6 million vehicles that will have to pay that tax initially and then go through all of the problems of rebates because those are light trucks and cars. Then we are talking about well over 3 million individuals that will have to go through that process whereas we are only talking about 2.4 million vehicles that will be subject to the weight as of the heavier vehicles and of course that represents very substantially less taxpayers because many trucking companies own several hundreds of these units.

Senator SYMMS. Thank you very much.

Mr. **Bridwell.** One other point that I would make is just to give you an indication of the potential of tax evasion on diesel differential, Canada actually went through the experience and tried to overcome the problem. They started dying their fuel and in 3 successive years—1964, 1965, and 1966—they increased their diesel fuel tax collection respectively for those years of 24, 63, and 67 percent. So this business that there is very little evasion on the fuel tax just simply is not borne out in any kind of rational and empiric data.

Senator **Symms.** How big a differential did they have?

Mr. **Bridwell.** I can't answer that. I don't know.

Senator **Symms.** OK. Well, we thank you for your testimony and also for the study. I am sure that not only this committee but the Finance Committee will be very interested in that and carefully look at the results of your study.

Thank you very much.

Welcome, Mr. Whitlock. We are delighted to have you here and look forward to your input to the hearing.

Mr. Bennett Whitlock is the president of the American Trucking Association.

## STATEMENT OF BENNETT C. WHITLOCK, JR., PRESIDENT, AMERICAN TRUCKING ASSOCIATIONS, INC., ACCOMPANIED BY LANA R. BATTS, MANAGING DIRECTOR, ATA RESEARCH AND POLICY ANALYSIS DIVISION; WILLIAM E. JOHNS, MANAGING DIRECTOR, ATA TECHNICAL SERVICES DIVISION; AND JOHN L. REITH, DIRECTOR, ATA ECONOMIC AND TAXATION DEPARTMENT

Mr. **Whitlock.** Thank you very much, Mr. Chairman.

Senator **Symms.** Do you want to introduce the people that are with you?

Mr. **Whitlock.** Yes, Senator.

Accompanying me this morning, Mr. Chairman, are Lana Batts, managing director of ATA's Research and Policy Analysis Division; Will Johns, managing director of ATA's Technical Services Division; and John Reith, director of ATA's Economic and Taxation Department.

Mr. Chairman, we have submitted an in-depth statement which I would like to have made part of the record.

Senator **Symms.** Your entire statement will be made a part of the record.

Mr. **Whitlock.** First, Mr. Chairman, I want to emphasize that the trucking industry is committed to the program of increased Federal funding for our Nation's highways and bridges as provided by the Surface Transportation Assistance Act. We are also committed to paying our fair share of highway user taxes to raise the necessary revenues to fund this increased Federal program. However, the special truck tax increases which were approved in the frantic timetable of the special session of the 97th Congress are not only inequitable but also are totally unrelated to the industry's use of the highways.

The most onerous part of the truck tax increases is the 700 percent increase in the so-called heavy vehicle use tax. This tax is scheduled to go from the current maximum of $240 a year to $1,600 on July 1 of this year and ultimately to $1,900 in 1988. This tax has no relationship to use. A vehicle traveling 10,000 miles pays the same tax as a vehicle which travels 110,000 miles per year.

The trucking industry is supporting legislation to repeal the heavy vehicle use tax and replacing this property tax with a 5-cent diesel differential applicable only to trucks. S. 1475 introduced by Senator Malcolm Wallop and cosponsored by 25 Senators accomplishes this. S. 1475 is also supported by the Coalition for Equitable Truck Taxes. This coalition, of which we are a member, includes 41 shippers, owner operators, agricultural organizations, and private and for-hire carrier associations. Mr. Chairman, the coalition sent a letter to each Member of Congress last week outlining the coalition's position. I would like to have that letter entered into the record.

Senator SYMMS. Without objection it will be made a part of the record.

[The letter referred to follows:]

AMERICAN IRON & STEEL INSTITUTE ■ AMERICAN MEAT INSTITUTE ■ AMERICAN PULPWOOD ASSOCIATION ■ AMERICAN SOYBEAN ASSOCIATION ■ AMERICAN TRUCKING ASSOCIATIONS, INC. ■ EASTERN INDUSTRIAL TRAFFIC LEAGUE ■ FARMERS UNION CENTRAL EXCHANGE, INC. ■ FLORIDA CITRUS MUTUAL ■ FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION ■ FOOD MARKETING INSTITUTE ■ FOREST PRODUCTS TRUCKING COUNCIL ■ INDEPENDENT TRUCKERS ASSOCIATION ■ INDEPENDENT TRUCK OWNER-OPERATORS ASSOCIATION ■ INSTITUTE OF SCRAP IRON AND STEEL ■ MARYLAND INDEPENDENT TRUCKERS AND DRIVERS ASSOCIATION ■ MINNESOTA ASSOCIATION OF COOPERATIVES ■ MINNESOTA DEPARTMENT OF AGRICULTURE ■ NATIONAL AMERICAN WHOLESALE GROCERS ASSOCIATION ■ NATIONAL ASSOCIATION OF BRICK DISTRIBUTORS ■ NATIONAL ASSOCIATION OF WHEAT GROWERS ■ NATIONAL BROILER COUNCIL ■ NATIONAL CATTLEMEN'S ASSOCIATION ■ NATIONAL FARMERS UNION ■ NATIONAL FEDERATION OF MILK HAULERS ASSOCIATIONS ■ NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE ■ NATIONAL MEAT ASSOCIATION ■ NATIONAL MOVING AND STORAGE ASSOCIATION ■ NATIONAL READY MIXED CONCRETE ASSOCIATION ■ NATIONAL SAND AND GRAVEL ASSOCIATION ■ NATIONAL SOLID WASTES MANAGEMENT ASSOCIATION ■ NATIONAL TRUCK WEIGHT ADVISORY COMMITTEE ■ NATIONAL TURKEY FEDERATION ■ OWNER-OPERATORS INDEPENDENT DRIVER ASSOCIATION ■ POULTRY AND EGG INSTITUTE OF AMERICA ■ SOUTHERN HARDWOOD TRAFFIC ASSOCIATION ■ TRUCKERS ACTION CONFERENCE ■ TRUCK RENTING AND LEASING ASSOCIATION ■ TRUCK TRAILER MANUFACTURERS ASSOCIATION ■ UNITED FRESH FRUIT AND VEGETABLE ASSOCIATION ■ U.S. CUSTOM HARVESTERS, INC.

# *Coalition for Equitable Truck Taxes*

January 23, 1984

Dear Representative/Senator:

In the hectic, closing days of its second session, the 97th Congress passed the Surface Transportation Assistance Act which imposes excessive increases in the highway taxes paid by the trucking industry. In addition to the five-cent-per-gallon increase in the Federal fuel tax, the legislation raises the heavy vehicle use tax from a maximum of $240 per year to $1,600 annually effective July 1, 1984, and, ultimately, $1,900 per year in 1988.

The associations listed below support an alternative method for financing the revenues needed to meet the goals and objectives of the STAA. Rather than increase the heavy vehicle use tax, which is a lump sum, up-front tax bearing no relationship to highway use, we prefer a diesel differential tax. We believe that a diesel differential tax is a more equitable means of achieving our mutual goal of an effective and efficient national highway network.

H.R. 2124, introduced by Congressmen Frenzel, Campbell, and Jenkins, would substitute a five-cent-per-gallon diesel differential tax on trucks weighing more than 10,000 pounds for the heavy vehicle use tax. By doing so, the bill accomplishes four objectives:

- o Raises approximately the same amount of money from the trucking industry as is to be paid by the industry in the use tax;
- o Returns user funding of highway projects to a pay-as-you-go basis;
- o Establishes a taxing mechanism which is easily administered and provides little opportunity for non-compliance; and
- o Establishes tax rates for the trucking industry which are equitable and more affordable.

Because the detrimental increases in the heavy vehicle use tax take effect on July 1, 1984, there is but a limited time to act. We urge you to support early passage of H.R. 2124.

---

430 1st Street, S.E. ■ Washington, D.C. 20003

Sincerely,

The Coalition for Equitable Truck Taxes

Robert B. Peabody
American Iron & Steel Institute

C. Manly Molpus
American Meat Institute

Kenneth S. [illegible] Jr.
American Pulpwood Association

John Baize
American Soybean Association

Bennett C. Whitlock Jr.
American Trucking Associations

Donald L. Hanson
Eastern Industrial Traffic League

Bobby F. McKown
Florida Citrus Mutual

[illegible] Exec. V.P.
Florida Gift Fruit Shippers
Association

Richard Lewis
Forest Products Trucking Council

Joseph B. Fitzgerald, Natl. Dir.
Independent Truckers Association

Marshall Siegel
Independent Truck Owner-Operators
Association (I-TOO)

Institute of Scrap Iron
and Steel

Rita Bontz, President,
Maryland Independent Truckers and
Drivers Association

Edward E. Slettom
Minnesota Association of
Cooperatives

Jim Nichols
Minnesota Department of
Agriculture

National American Wholesale Grocers
Association

Walter Galanty
National Association of Brick Distributors

National Association of Wheat Growers

George B. Watts
National Broiler Council

National Cattlemen's Association

Robert J. Mullins
National Farmers Union

Mills M. Kersey
National Federation of Milk Haulers Association

Edward Andersen
National Grange

James E. Bartley
National Industrial Transportation League

National Meat Association

T. Peter Ruane
National Moving and Storage Association

Kenneth E. Tobin
National Ready Mixed Concrete Association

Kenneth E. Tobin
National Sand and Gravel Association

Eugene J. Wingerter
National Solid Wastes Management Association

Charles M. Fox
National Truck Weight Advisory Committee

National Turkey Federation

James Johnston
Owner-Operators Independent Driver Association

Poultry and Egg Institute of America

Southern Hardwood Traffic Association

Theodore E. Brooks, Director
Truckers Action Conference

Truck Renting and Leasing Association

Charles J. Galvin Pres.
Truck Trailer Manufacturers Association

United Fresh Fruit and Vegetable Association

J. L. Pelliet
U. S. Custom Harvesters, Inc.

Mr. WHITLOCK. Mr. Chairman, because of the dates of enactment, S. 1475 may not raise sufficient revenues to fund the authorizations provided by the STAA. However, the trucking industry would favor amending S. 1475 in order to raise the $72.021 billion which is needed to pay for the increased Federal highway program provided by STAA.

The approach offered by S. 1475 has three distinct advantages:

Returns user funding of highway projects to a pay-as-you-go basis;

Establishes a taxing mechanism which is easily administered and provides little opportunity for noncompliance; and

Establishes tax rates for the trucking industry which are equitable and more affordable.

I would like to say just a few words about the Department of Transportation's report entitled "Alternatives to Tax on Use of Heavy Trucks" which was submitted to the Congress last week.

Because Congress was concerned with the size of the increase in the heavy vehicle use tax and the financial impact this would have on the recessionary financial condition of the trucking industry, STAA provided for the Department of Transportation to study alternatives to the tax. While we are pleased that the Department did not endorse any of the tax alternatives submitted and leaves it to Congress to determine the most equitable approach, we are concerned that the Department has changed its original estimates of the revenues to be raised by the taxes enacted in December 1982. Instead of the $72.021 billion as estimated at that time, DOT's new revenue estimates are $73.3 billion. There seems to be a conclusion that any tax alternatives to the heavy vehicle use tax must raise this higher amount to be revenue neutral.

It is our strong contention that any tax alternatives considered by the Congress should raise the necessary revenue to fund the highway spending as provided by STAA and not provide a windfall to the highway trust fund which is not necessary, particularly when such windfall would be at the expense of the economic well being of a hard pressed trucking industry.

Another important subject contained in STAA is uniform allowable Federal vehicle dimensions for the trucking industry. DOT was supposed to have established a designated primary system for longer and wider vehicles by October 6, 1983. Unfortunately, the final designations still have not been approved and DOT indicates this won't be accomplished until April 1984. In the meantime, the trucking industry is paying the higher fuel, excise and tire taxes without the benefit of being able to operate the more productive equipment in all sections of the country. We don't even know when we will be allowed to do so. As a result, millions of dollars of equipment-purchase decisions are being delayed. Consumers are being denied the productivity gains. In short, no one is a winner because of the delay.

We urge Congress, through your committee, to direct the DOT to expedite the procedure for designating the primary highway system where the longer and wider vehicles can be allowed.

At this point, Mr. Chairman and Senator Moynihan, I would like to say that the trucking industry has no desire to run equipment on unsafe highways. We believe that DOT does have the necessary mechanism to correct the situation that you addressed. However, if we find that it does not, then we will certainly work with you and your staff to come up with legislation which addresses the problem.

The one situation that I would like to comment on is that in any legislation we want to be sure that any dedesignation is made on sound highway engineering properties. Because we are trying to establish a national system of highways,we believe that DOT should have the final decision on any dedesignation. In addition, because we have to serve the city of New York, any dedesignation should be accompanied by some safe alternate route to allow us to continue to provide service.

Before concluding my brief statement, there is one other provision of STAA that I would like to mention. Section 414 of the STAA deals with the matter of splash and spray suppressant devices. It sets time schedules for issuance of standards and for equiping new and inuse vehicles with those devices. These time schedules are totally unrealistic.

The Department of Transportation has already missed the deadline of January 1984 for issuing standards. Manufacturers and motor carriers are now unable to meet the compliance schedules in STAA. The subject matter is complex and the schedules need to be changed.

My written statement details our recommendations for change.

With that, Mr. Chairman, we appreciate the opportunity. That concludes my statement.

Senator SYMMS. Thank you very much. We appreciate you and your colleagues being here.

You looked at the DOT study I assume, is that right?

Mr. WHITLOCK. Yes.

Senator SYMMS. With respect to DOT No. 2, what is your estimate? DOT No. 2 is a 5-cents-a-gallon tax with a use tax up to $240. What would your people's calculations be with respect to whether that is revenue neutral or not? DOT thinks it is not revenue neutral and it is not quite as equitable with respect to the cost allocation study. Would you care to comment on that?

Mr. WHITLOCK. The combination of 5 cent user tax plus the continuation of the $240 is approximately $72 billion. In fact, it is a little over $72 billion which, in our estimation, would make it revenue neutral. What we are saying, Senator, is that we will support any tax program that raises the revenues that are necessary to fund STAA and our estimates are that $240 plus 5 cents is revenue neutral.

Senator SYMMS. What are the economic assumptions you use to calculate that?

Mr. WHITLOCK. Mr. Chairman, rather than answer now, may we submit that for the record?

Senator SYMMS. Certainly.

There are so many people around this town that are cranking out numbers it is hard to tell what is accurate. My estimates are that if it is within $200 or $300 million on a $70 some billion program or half a billion dollars, that is probably as good as you can estimate.

Mr. WHITLOCK. I think it comes even closer to that.

Senator SYMMS. There is a very strong body of thought here in Congress that are going to insist, I think, on not having the trucks go. It is not necessarily as much the $300 or $400 million as it is the changes of the balance with respect to the cost allocation study. There are two opinions on that as you are aware of and I think that may be as much of a problem as the other.

Did you want to comment?

Mr. WHITLOCK. Yes, on that particular point, Mr. Chairman. Congress had this problem back in 1961. We had complete studies. What they did then was to balance the percentages between the two studies. In this case you have a cost allocation based on consumption which estimates approximately 33 percent is the equity ratio for combination trucks. You have the incremental method which is also included in the DOT submission which estimates the equity at 22 percent. Under a true diesel differential the equity would be about 27 percent which is a balance between the 22 percent on the one hand and the 33 percent on the other.

Senator SYMMS. What about the connotation about the ton mile tax or the weight-distance tax that was talked about here? Do you think that the weight-distance tax would be difficult to declare?

Mr. WHITLOCK. Mr. Chairman, we disagree completely with the so-called estimates of the administrative costs. We estimate the administrative costs as being 25 and 30 percent. In addition, that does not even take into account the tremendous compliance costs. When you realize that this is a self-reporting tax, I just can't imagine the number of Federal auditors needed to audit 30,000 interstate carriers plus countless thousands of other intrastate carriers.

Senator SYMMS. Did you have any questions, Senator Moynihan?

Senator MOYNIHAN. I want to thank Mr. Whitlock for his remarks about the safety question and to point out the legislation we now introduce does leave the redesignation authority with the Secretary of Commerce.

Mr. WHITLOCK. I understand.

Senator **Moynihan**. With respect to all alternative routes we require a good faith effort to be made to find them but it may be that there is none. You know, there are situations where there just is no alternative route for a vehicle of a certain size unless you build new highways.

Mr. **Whitlock**. Neither one of us want to get to the point where we have to cut back service. The problem is balance.

Senator **Symms**. You are going to submit those estimates on that cost to us and when you do that if you could at least include a threefold paragraph there that deals with the different economic assumptions that seem to be used now. If I understand it correctly, the ATA is talking about trying to be revenue neutral if the tax raises as much money as we have authorized to spend.

Mr. **Whitlock**. Absolutely; that is accurate.

Senator **Symms**. There is a difference in the numbers here of $72 billion where the old estimates are not $73.3 billion.

Mr. **Whitlock**. Mr. Chairman, you are referring to the revenue estimates and not to the authorizations in STAA. In other words, the $73.3 billion that DOT is now estimating is far in excess of the authorizations that are in STAA. Had you had those estimates in 1982, the tax level would have been probably reduced by $1.3 billion.

Senator **Symms**. Of course our problem here is on our committee we keep having new projects added all the time, and I guess that is the age-old problem of the Congress.

Mr. **Whitlock**. That is a continuing problem.

Senator **Symms**. That is a continuing problem and there never seems to be an end to how much money we can spend around here. Many of these projects, I must say, are very good projects. I mean I don't argue, most of the highway projects are good for some group of people at some point in time.

I guess, Senator, we could put those trucks on Westway when we get it done up there.

Senator **Moynihan**. Fine by me.

Senator **Symms**. Thank you very much.

Mr. **Whitlock**. No comment on that.

Senator **Symms**. I will pursue this with you further and you can submit that one thing for the record. We will pursue this further because I do think there are several of us on this committee who are also on the Finance Committee and I hope we can work this out so all parties are happy. I think the chairman of this committee has fairly close contact with the Department of Transportation so I am sure that could be worked out partially off the record also if they ever talk business when they are at home.

Mr. **Whitlock**. Thank you very much, Mr. Chairman.

[The information referred to follows:]

**AMERICAN
TRUCKING
ASSOCIATIONS, INC.**
1616 P Street, N.W., Washington, D.C. 20036

PRESIDENT
**Bennett C. Whitlock, Jr.**
(202) 797-5212

February 8, 1984

The Honorable Steve Symms, Chairman
Subcommittee on Transportation
Committee on Environment and Public Works
U.S. Senate
Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

I want to thank you again for the opportunity to comment on the implementation of the Surface Transportation Assistance Act of 1982 (STAA). As I indicated in my testimony, while the industry is adversely impacted by STAA, we remain committed to a full highway program and paying our fair share. We are asking, however, that the method of taxation be changed to more accurately reflect use on a pay-as-you-go basis. We believe the principles contained in S. 1475 meet these objectives.

Revenue Neutrality

When introduced, S. 1475 was intended to be revenue neutral. We acknowledge that it no longer is. The trucking industry looks forward to working with the Senate to amend S. 1475 so that it raises the same amount of money as STAA.

Unfortunately, creating a proposal which is revenue neutral is difficult. Forecasting revenue estimates for STAA has been especially difficult. Shortly after STAA was enacted, the Joint Committee on Taxation (JCT) estimated that it would raise $72.021 million. At that time, the Department of Transportation did not estimate how much STAA would raise over the six-year life of the legislation. Rather it projected only one year -- 1985. And it should be noted that JCT and DOT did not agree. JCT estimated STAA would raise $12,378.4 million in 1985, while DOT estimated $12,551.4 million, almost $200 million more. In its recent report on Alternative Taxes to the Heavy Vehicle Use Tax, DOT now estimates STAA will raise $12.763 million. In fact, it wasn't until DOT issued its alternative study that it attempted to project total revenues from STAA at $73.3 billion.

All projections made by the ATA on S. 1475 are based upon the factors used by JCT in December, 1982. We are currently working with DOT and JCT to reconcile the revenue projections and believe resolution is possible. Obviously, forecasting is an inexact science. Therefore, we believe that any alternative should match approximately the same amount of revenue as STAA. We note that

A National Federation Having an Affiliated Association in Each State

DOT's option #2 -- a five-cent diesel differential coupled with a $240 maximum heavy vehicle use tax -- produces revenues of $72.6 billion, midway between JCT's December, 1982 revenue estimate of $72.0 billion and DOT's January, 1984 estimate of $73.3 billion.

On this basis, we believe DOT's option #2 is revenue neutral.

## Canadian Experience with Diesel Differential

During the course of last week's hearing, officials from the American Association of State Highway and Transportation Officials (AASHTO) claimed that there could be widespread evasion if a diesel differential were implemented. They noted that Canada experienced widespread evasion with a diesel differential until the fuel was colored.

The Canadian diesel differential is quite unlike that being proposed by S. 1475. According to a recent publication by the Federation of Tax Administrators, "The Coloring of Motor Fuel in Canada," four Canadian Provinces levy an ad valorem tax on diesel fuel, but not home heating oil. As of January 1, 1982, the rates on diesel fuel in these four jurisdictions were:

Manitoba: 20 percent of retail price
Ontario: 27 percent of retail price
Quebec: 20 percent of retail price
Saskatchewan: 28 percent of retail price

A five-cent diesel differential represents four percent of the current retail price of diesel fuel at 123.8 cents per gallon, as measured by the Interstate Commerce Commission's weekly survey of truck stops. The Canadian experience is hardly relevent to the discussion of a five-cent diesel differential.

In addition, it should be noted that the Canadian government has stated its preference for a diesel differential or a prorated use tax based on traveled (regardless of country of origin). Obviously, the Canadian government does not anticipate an evasion problem with a five-cent diesel differential.

## Refund Procedures for Tax Exempt Vehicles

Also during the course of the hearings, the AASHTO officials indicated that it would be a costly administrative burden to refund the diesel differential to diesel powered vehicles under 10,000 pounds gross vehicle weight. Yet Treasury currently refunds fuel taxes to certain farmers; commercial fishing vehicles; intercity, local, and school buses; gasoline/alcohol mixture; and qualified taxicabs. These refunds are approximately the same number as will be exempted by S. 1475, 3.1 million. Furthermore, AASHTO estimates that the cost for each refund would be between 20 cents and $1.00 per refund. This hardly constitutes a major increase in federal tax collection expenditures.

Should you have any additional questions regarding the diesel differential, please let me know.

Sincerely,

Bennett Whitlock

Bennett C. Whitlock, Jr.

BCW/jb

Senator SYMMS. The next panel is Mr. Don Wilson and Mr. Ed Ehlers.

Mr. Don Wilson, please go right ahead.

## STATEMENT OF DON WILSON, DISTRIBUTION SYSTEMS MANAGER FOR DAIRY GROUP, THE SOUTHLAND CORP., DALLAS, TEX., AND PRESIDENT, PRIVATE TRUCK COUNCIL OF AMERICA, INC., ACCOMPANIED BY RICHARD HENDERSON, EXECUTIVE VICE PRESIDENT, AND RICHARD SCHWEITZER, LEGISLATIVE COUNSEL

Mr. WILSON. Mr. Chairman, thank you for the opportunity of being here.

Mr. Chairman, Senator, if you will bear with me, I would like to say off the record personally indeed this is a long ways from Waxahachie.

Senator SYMMS. It is a long ways from where?

Mr. WILSON. From Waxahachie. It is a long ways down in Texas from here.

Seriously, my name is Don Wilson. I am distribution systems manager for the dairy group at the Southland Corp. in Dallas, Tex., and president of the Private Truck Council of America. With me today is our executive vice president, Richard Henderson, on my left, and our legislative counsel, Richard Schweitzer, to my right.

Let me stress initially that we are the only independent national organization representing private truck operators.

In 1983 private carriage accounted for 66 percent of all motor carrier traffic on our Nation's highways. The Private Truck Council of America represents the interests of approximately 1,500 corporations engaged in private carriage with over 2 million trucks in operation. Our members include many Fortune 500 corporations as well as numerous smaller concerns.

Mr. Chairman, if you will, we have submitted a formal statement for the record and in the interest of time I will submit the entire statement for the record and highlight it.

Senator SYMMS. Your entire statement will be made a part of the record.

Mr. WILSON. PTCA is vitally concerned with insuring that adequate funding is provided to revitalize the national highway transportation system. However, we are equally concerned that the fees instituted to generate these funds are equitably assigned to the various classes of highway users.

As an alternative to the disproportionately burdensome use tax schedules of the STAA, PTCA analyzed the effect of a 5-cent-per-gallon increase in the diesel fuel tax. In April 1983 we surveyed our membership on weight, mileage, and truck population figures. We surveyed and received a data base of almost 100,000 trucks. The result of our study was that we could not endorse either the existing STAA use tax schedules or a 5-cent diesel differential. We therefore have developed our own proposal for Federal highway user fees.

I might add in addition the Federal Highway Administration has yet to indicate as you heard earlier this morning when the industry may receive any of the final designation of routes in the 50

States and the District of Columbia. Even more critical, as the Senator pointed out, is the issue of access to the national network. The STAA requires that States allow vehicles with the new authorized dimensions reasonable access between the national network and terminals, facilities for food, fuel, repairs, and rest as well, I might add, as points of pickup and delivery for household carriers.

The 15 months of increased productivity promised prior to the onset of higher user taxes has been to this point of little assistance to the trucking industry. With no Federal definition of reasonable access permitting carriers reliable access to terminals and delivery points, the promised cost efficiencies will never be realized.

Thus, the industry has been paying an extra 5 cents a gallon since April 1983 and faces a 700-percent increase in use fees on July 1, 1984, while the corresponding productivity gains are hampered by resistance among the States and bureaucratic inertia.

A number of bills have been introduced which supplant the use tax with an increased diesel fuel tax. The previously mentioned S. 1475 is the most widely discussed of the so-called diesel differential bills, it eliminates the heavy truck use and replaces the lost revenue with a 5-cent-per-gallon increase in diesel fuel taxes.

However, PTCA realizes that S. 1475 is not a perfect, or even particularly attractive, solution for the entire trucking industry. The bill shifts the burden of payment for highway repair from large trucks to smaller vehicles—all pay the same rate with the diesel differential.

The DOT cost allocation methodology indicates that heavy trucks would not pay an equitable share of reconstruction costs if S. 1475 replaced the STAA use tax. However, PTCA accepts the argument that heavier trucks cause somewhat more wear and tear on pavements than lighter vehicles and should therefore pay some higher share of user fees for maintenance and reconstruction. For this reason alone PTCA, representing over 2 million trucks in operation, cannot support S. 1475 or any legislation employing a straight diesel fuel tax without reference to vehicle weight.

In addition, S. 1475 as introduced would not raise the same amount of revenue as the STAA use tax, resulting in decreased income for the trust fund.

We have been advised in informal discussions with DOT that they estimate a truly revenue neutral differential would require an increase of over 8 cents a gallon. Therefore, we seek to enact a compromise proposal which will: One, significantly ease the STAA's oppressive use tax on heavy trucks; and two, place greater emphasis on miles traveled as part of the basis for taxes payable. Most important of all, the compromise will be virtually revenue neutral, raising almost the same amount of dollars as projected under the STAA use tax plan.

The STAA use tax schedules would eliminate vehicles between 33,000 pounds and over but less than 55,000 pounds and would pay a use tax of $4 per 1,000 pounds. Pre-STAA required $3 per 1,000 pounds. Vehicles 55,000 pounds and over would pay a use tax equal to one-half of their 1988 levels with a maximum payment of $950 for an 80,000 pound truck. Vehicles traveling less than 5,000 miles per year would be exempted from the use tax.

A 2-cents-a-gallon diesel differential would be levied on all diesel vehicles above 10,000 pounds. A rebate mechanism, similar to one in existence for farmers and fishermen exempted from current diesel taxes, would be established for vehicles under 10,000 pounds. The 2 cents would be capped at that level to prevent raising the figure by executive order. Should an increase be warranted, Congress would first have to remove the cap and then raise the tax; this procedure insures the trucking industry will be allowed input on any proposed future increases. The law would be drafted so that one-ninth of the 2-percent fuel tax increase would not go into the transit fund as it does under the current 9 cents fuel tax.

The DOT projections are based on truck population and mileage data compiled in the 1977 Truck Inventory and Use Survey conducted by the Bureau of the Census and interpolated for the 1985 and 1984–88 periods. PTCA asserts these population and mileage figures are grossly understated.

In order to accurately assess the effects of the STAA use tax on the trucking industry, PTCA undertook in April of 1983 a membership survey on relevant weight, mileage, and population data. Four hundred seventy-seven fleets responded, representing almost 100,000 trucks. We respectfully submit that our data base is more current and extensive than any other research undertaken by any other organization, public or private, in this area. The resultant data revealed mileage figures substantially higher than those projected by the DOT revenue model. DOT estimates that in 1985 an 80,000-pound vehicle would travel an average of 65,000 to 70,000 miles per year. The PTCA survey showed an average of over 89,000 miles per year and PTCA has no reason to believe this figure will decline significantly in 1985. The increased mileage figures raise revenue projections for the 2 cents diesel differential without affecting projected STAA use tax revenues.

The Department has admitted in discussions that some of the trucks in their 1977 data were only partially in use and that the 5,000-mile-per-year threshold for use tax liability would eliminate those part-timers and result in a higher average figure. PTCA believes the higher mileage figures for taxable vehicles will raise total revenues under our proposal to such a level that any shortfall will be insignificant.

Additionally, the increased use of mileage as a basis for tax liability in our proposal, along with the higher mileages of the survey, reduces the difference in revenue cost ratios between the two plans. Thus, an 80,000-pound truck with average mileage would pay $1,261 yearly in use and diesel differential taxes under our proposal as opposed to $1,600 in 1984 and $1,900 in 1988. By 1988 the savings amount to some $640 per vehicle per year.

If I might, Mr. Chairman, divert briefly from the prepared submission, I think two points are possibly being overlooked or not fully appreciated. One is the question of the continually changing revenue dollar estimates. It is our belief that Congress in its enactment of the original STAA in 1982 fought and intended implementation of a tax program designed to yield 6 years' revenue of an estimated $72.2 billion. However, the recent estimates contained in a just released January 1984 DOT report to Congress on alternatives to tax on use of heavy trucks already show an expected 6 years' growth in yield to some $73.3 billion.

Again this same yield is now being used in that report to show the PTCA alternative proposal to be some $1.2 billion revenue short after 6 years. I am suggesting the actually $1.1 billion increase in yield in just the first year confirms our original contention that the data base used in the STAA justification was either deficient or excessively erred if indeed the revenue yield has been increased a billion dollars the first year.

Furthermore, that rather than the $1.2 billion revenue shortfall our alternative is more likely to be within plus or minus $100 million of the original 6 years' revenue yield intended by Congress in its passage of the STAA.

Second, the underlying use and productivity implied and promised with the increased user fee. Well, if you are trying to build a national network of many, many roads and access, there is a real question if use and productivity are clearly understood. We are not asking for universal end granted through passage of all combinations in all situations but we must have access to points of pickup and delivery. A minimum 48-foot tandem trailer, 102-inch-wide equipment, also used in twin trailer national networks mean enhanced productivity for a very limited few unless that same equipment can be separated and used interchangeably for both local pickup and delivery as well as national interstate network movements.

In conclusion, we ask the subcommittee to reassess the existing tax bias against heavy vehicles. In doing so, however, we advise the subcommittee to realize that smaller local route vehicles make proportionately less use of the Federal aid highway system than their heavier, over-the-road counterparts, and we implore you not to fund the reconstruction of this Federal system on the backs of the lighter weight vehicles.

We would now be happy to address any questions you might have.

Thank you, sir.

Senator SYMMS. Thank you very much for an excellent contribution to the testimony here this morning.

I want you to go through again, just walk me through what you are recommending. You recommend that the use tax would be eliminated; is that correct?

Mr. WILSON. As it currently exists now.

Senator SYMMS. As it now exists.

Mr. WILSON. Yes.

Senator SYMMS. Put on a 2-cents differential?

Mr. WILSON. A 2-cents differential with a reduced tax burden.

Senator SYMMS. It goes up to $950.

Mr. WILSON. Yes, sir, maximum.

Senator SYMMS. And you think that will raise the same amount of money?

Mr. WILSON. By our calculation and based on our membership data survey and section 6, page 6, of the report. The proposal is listed along with the other DOT option discussed earlier this morning. It is our belief, based on our assessment of what we think the average annual figures would be mileage wise, that our proposal, a combination of a lesser use tax maximum rate in conjunction with a token differential rate, will be within $100 million based on the original $71.2 billion that we think Congress intended in the original legislation.

Senator SYMMS. If that is the case, then you had a chance to look at the DOT study.

Mr. WILSON. Very briefly, Mr. Chairman. I only personally saw the study first yesterday afternoon.

I would point one thing out. Looking at the table and comparing alternatives in their report, our proposed alternative to the present STAA tax structure is very similar in terms of cost allocation share amongst classes as to the DOT Proposal 4. I think you will see that as an example on single users in the last categories our figure would project a 1.13 share, theirs is a 1.17. In the middle category our projection is 0.17, theirs a 0.83. In the heaviest tax ours is projected 6.3 shares, theirs a 6.7 share. So we feel like that our proposal has done a reasonable job of compromising amongst all parties and also maintaining a historical distinction in share of cost by vehicle class.

Senator SYMMS. Do you want to comment for me on the weight-distance tax?

Mr. WILSON. Mr. Chairman, I think counsel is on record in prior testimony in personal philosophy. There are really only two types of tax, the weight-distance and the weight-ton-mile tax. Either tax, we believe, is excessively burdensome to administer in the taxable agencies and we also believe it has the hidden effect of imposing a much greater cost of compliance burdens on taxpayers than do other forms of taxes.

Senator SYMMS. Which ones, the weight-distance?

Mr. WILSON. Either weight-distance or weight-ton-mile and they are therefore philosophically opposed to it.

Senator SYMMS. Senator Moynihan.

Senator MOYNIHAN. You have got to help me. What is the difference between weight-distance and ton-mile?

Senator SYMMS. I am glad you asked that.

Mr. WILSON. Senator, as I understand it they are often used interchangeably. One tax would be calculated, as an example, based on registered weight and be eligible for calculating total annual miles. The so-called ton-mile tax as referred to earlier this morning would have a provision for also calculating empty miles. That is as I understand the difference of the tax.

Senator MOYNIHAN. Variations on the same principle of taxation.

Mr. WILSON. Yes.

Senator MOYNIHAN. Well, I learned something this morning.

Mr. Wilson, just help me. It is interesting the number of trucks that use the Federal highway network. If you want to say what proportion of common carriers are represented and what proportion are represented by the Private Truck Council of America—I assume you represent them all—what is that?

Mr. WILSON. Senator, I, first of all, would not purport to represent all.

Senator MOYNIHAN. What proportion of private carriers and what proportion of common carriers?

Mr. WILSON. I think I referred to in my opening testimony there has been a survey and an indication published that private carriage in this country, the commercial use of vehicles as incidental to the primary business accounts for, I believe, something in the magnitude of 66 percent of total.

Senator MOYNIHAN. About two-thirds.

Mr. WILSON. Yes.

Senator MOYNIHAN. Yes, that is what I thought I heard you say. That is a large number.

I have not had the pleasure of hearing you all testify before.

Mr. WILSON. Senator, if I might also suggest, the very basis for the test of private carriage of many years or the so-called primary business test makes the Nation's commerce involved in private carriage the least visible, the hardest to identify, in that the primary business test of that transportation function is incidental to a primary company, be it literally the butcher, the baker, the candlestick maker.

Senator MOYNIHAN. Milkman.

Mr. WILSON. Yes, the milkman. In any case, as a result it is the largest, most diverse. Our membership, as an example, in this council literally crosses the entire industrial commercial spectrum of the Nation's economy, very diverse and hard to identify, and quite frankly historically least organized because of a lack of genuine——

Senator MOYNIHAN. Regulated.

Mr. WILSON. That is correct, yes, sir.

Senator MOYNIHAN. Well, we welcome you to this committee, sir. You have been here before.

Mr. WILSON. We appreciate your interest in the matter and your interest in our opinions.

Senator SYMMS. Your primary difference in some of the other recommendations that come up, your program bottom line is you are careful not to have an unequal distribution between light and heavy trucks. That is basically your thinking.

Mr. WILSON. Yes; the compromise as we structured it and based on our own survey data base, we think that it maintains the sanctity of the division of burden, if you will, amongst the various user classes. We think that coincidentally our allocation impact among the various users is very, very close to what may be the number one DOT alternative, if there is such a thing. So again we have attempted to structure and I might add from a philosophical standpoint that I personally am not really in agreement with additional fuel taxes but we think the combination of—and I stress token additional tax and I think that the question was raised earlier this morning, the question of tax avoidance, and I would suggest that and remind that we are not just talking about a possible additional 5, 6, 7, 8 cents, we are talking about that imposed on top of a nickel last year on top of the prior tax.

So in terms of if there is incentive for taxable revenue as an amount of the tax becomes greater it is one of the reasons we stress only a token addition to the current fuel taxes. I would also mention that, as was stated by one of the witnesses earlier, the States very often look to the actions in Washington as a role model and as an example I would cite my own State of Texas. Just last week the Governor and the Highway Commission unveiled a new political initiative attempting to begin support for a new highway funding measure within the State of Texas, again an additional 5 cents a gallon increase in fuel taxes to generate with other increases and another $1.2 billion additional annual user dollars in the State of Texas. Coincidentally, the nickel, whether that is coincident or whether that is a result of the Federal role model of last year remains to be seen.

Senator SYMMS. Thank you very much. We appreciate your excellent testimony. Your recommendations will get a very careful look by the committee and the Finance Committee.

Mr. WILSON. Thank you.

Senator MOYNIHAN. Mr. Chairman, I can't resist the opportunity to ask Mr. Wilson one other question on taxation.

Mr. WILSON. Yes, sir.

Senator MOYNIHAN. Last year the Congress imposed a tax on milk. Did you think that was——

Mr. WILSON. Senator, if you will allow me a little liberty, my philosophy within the organization is that if they are successful in procuring the raw milk and packaging the product, I have to haul it for them. I would not want to speak on the part of the industry or my corporation this morning. I hear you, I understand.

Senator MOYNIHAN. I am not trying to get you in trouble.

Mr. SCHWEITZER. He is a private carrier, too.

Senator SYMMS. I will ask you the question this way. Do they pay you not to haul milk?

Mr. WILSON. Very rarely. Very rarely.

Senator SYMMS. Thank you.

Mr. WILSON. Thank you.

Senator SYMMS. At this point, following your testimony, Mr. Ehlers, I would like to ask unanimous consent to put in the record a statement from Richard Lewis of the Forest Products Trucking Council. That will follow your statement.

## STATEMENT OF ED EHLERS, EXECUTIVE DIRECTOR, ASSOCIATION OF CALIFORNIA LOGGERS

Mr. EHLERS. Mr. Chairman and Senator Moynihan, I am Ed Ehlers of Association of California Loggers. We are an association of family-owned logging businesses in California. We are also here today as members of the Western Logging Council which is an association that includes the logging associations in the six Western States of Montana, Idaho, Alaska, Washington, Oregon, and California.

We have had some lengthy and considerable discussions on this topic, particularly since the passage of the act in 1982 and the need to somehow seek some amendments to it that would let us pay what we consider to be or accept as our fair share of road cost construction and maintenance in our region. My particular association has about 550 members in California and about 375 or 380 have one or two trucks or more depending on their needs. We operate about $300 million worth of logging equipment in California. Incidentally, we are not the largest association of the Western States, Oregon walks off with that honor, they are by some greater measure a bigger timber producer than is California but in the whole scheme of things we represent contractors in California, log the majority of the timber that is harvested there.

I might say that going into 1984 we are extremely cautious on incurring costs or advocating costs and in our operations cost control is a major order of the day. We picked up a little in 1983, our annual harvest in California went from about 2.2 billion board feet up to about 3 billion board feet. In 1978 we had gone to 4.4 billion board feet and our forests in California will support an annual harvest of about 5 billion board feet.

The thing we are concerned about is that obviously for us if you look at the numbers the recession is not yet over. We are starting to come back. I say we are working more but lumber priced at wholesale at $100, $200 a thousand and then you have manufacturing costs of about $140 a thousand and logging costs of $60 and $80 a thousand, there is not a whole lot of room in there to pay for the tree and so we think that while 1984 will continue the upward climb it is going to be a very tight year for us and my comments here this morning are with that in mind.

I see in the morning paper that December housing starts are up considerably and we would like to see that happen and with it some modest lumber price increase, not to the point where it stifles or cools housing but somehow returns an element of profitability to us.

The thing that bothers us about the 1982 act are the up front costs. In small businesses cash flow is a major concern, particularly when you are very seasonal. The use tax on the truck paid up front is devastating when you are talking about $1,600. We would prefer if we paid our share to pay it as we go with the fuel tax and it is pure and simply a matter of making all the works run and not having that big cash outlay.

The other thing that bothers us is the fact that we work between 120 and 160 days a year. We have a short season largely controlled by the weather and the historic seasonality of the lumber industry in California. Our trucks run an average around 40,000 or 45,000 miles a year. We run empty one way. We haul logs out of the woods for the mill and load the dolly up and go back so we run empty. So we are interested in a review of equity and fairness that puts us in a proper perspective in this whole arrangement.

The other thing that we have to be concerned about is that of the dollars that we feel obligated to pay for road improvements and whatnot that we try to save a little bit for everybody. We are aware that coming out of the woods we run on tributary railroads that are not part of the Federal aid system. The counties rely on the general fund revenues or State tax or the so-called 25 percent money that they get from the Forest Service to repair those roads and we often miss part of the logging operation because the counties are in such bad shape and work out a deal with the public works director to fill in the potholes and kind of take care of the roads so that they are usable for us and everyone, too. So I would like to ask that the subcommittee and the Congress here leave us a little room among the money that we have and to not only contribute to the Federal system but the State system and our county system as well.

We supported what we called SB 215 in the California legislation that increase registration and weight fees and the gas tax, fuel tax in California by 2 cents to do the same thing that we are trying to do with the 1982 act here. We expect next year to have legislation that will deal more directly with the rural tributary roads that we are so involved with and we feel an obligation to help our counties there to the extent we can.

Anyway, we would like to see the use tax replaced with fuel tax. I might suggest while we are trying to get up a head of steam and get back into the mainstream of the economy that we are being miserly with the amount of fuel tax and the chairman suggesting perhaps a triggering system where you start off with a model nickel or something and seeing if that will generate the revenue and if it does not trigger in another penny or so to pick up the slack, it would suit us just fine. We would like to see a cap on it, of course, but it suited us just fine because that will give us perhaps another year or breathing distance to get underway.

I might add one other thing in the 1982 act that gives us a problem and that was the increase in the tax on rubber. While we run relatively few miles a year we use relatively a lot of tires. Log trucks have 18 wheels and it is not uncommon for a log truck to use from two to five sets of tires a year. We have an even worse case situation where one of our truckers only got 4,000 miles per set because the terrain he was operating in was so rough that that is all the mileage he could get. That is an uncommon one but the average runs from two to five sets a year. A set of tires is something in excess of $10,000. Now $300 more does not seem like much but it is quite a bit when you are trying to retire a truck. It is not that big a deal for everybody else but I call it to your attention as a problem for us.

In summary I would just say that we would like to see the use tax be reduced as far as possible, that the offsetting fuel tax be the way to go and that be as low as possible. Keep in mind special life users like ourselves and that you give us a little leeway so that we can help out in our counties and some of the other areas where we must contribute.

I would also at this time just comment we had a ton mile legislature the last 3 or 4 years. The railroads always sponsor it for us down there. We are not a great fan of it for a couple of reasons. One, our friends tell us that really it is not all it is cracked up to be, that log truckers end up paying more than their fair share because we get records for off the highway purposes and so we are pretty good payers and not everybody else is. The cost of bookkeepers running around is a little more than everybody anticipated so we have not been a great fan of that and I think we probably would share the same few at the Federal level.

Thank you very much for your time and attention this morning.

Senator SYMMS. Do you have any questions, Senator?

Senator MOYNIHAN. No; but I would like to thank Mr. Ehlers for his very clear testimony about a very important and rather distinctive segment of the traveling industry. We are glad to welcome you to this committee because I come from a lumbering part of New York State and for some reason it seems to me altogether unjust. Loggers tend to have the reputation in our part of the world that horse traders had maybe a century ago and I have always found them to be the most honorable of men in the most difficult of pursuits and I think the evidence thereof is the quality of your testimony.

Mr. **Ehlers**. Thank you very much. I am very proud of my loggers, they are men whose word is their bond and a handshake with them is as good as anything you can do.

Senator **Moynihan**. I can believe that.

Senator **Symms**. I would second that. We have a lot of loggers in Idaho as you know.

Would you please just walk through very briefly for the benefit of our record, let's say if a truck is running on a dirt county forest road or whatever, either a logging road that was built as part of the contract or a county dirt road and not running on a highway to deliver the logs, what are you subject to with respect to the tax? Do you get a rebate?

Mr. **Ehlers**. Well, it is strictly between private and public, and public in this definition does not include forest service land, it includes county, county roads, city streets and highways, State highways, and to the extent we run on service roads or on the private road system we are able to apply for a refund of that fuel tax.

Senator **Symms**. But if you pay an excise tax and are paying a sales tax, you have paid that.

Mr. **Ehlers**. That is right.

Senator **Symms**. Or if you pay a use fee of say $1,600 that you are looking in the face.

Mr. **Ehlers**. That is right.

Senator **Symms**. You mention that many of your members have less than five trucks.

Mr. **Ehlers**. Yes.

Senator **Symms**. So anybody that has got six, I suppose they have sold one by now.

Mr. **Ehlers**. They are probably headed that way.

Senator **Symms**. Or parking it anyway.

Mr. **Ehlers**. Yes; you might keep in mind that at least one-quarter of most of the trucks are not registered because they are not in use and on a quarterly basis in California you cannot register them so they sit without registration during that inactive period. It is usually longer than a quarter but the quarter is the minimum amount. In our insurance program, in our association we take the insurance off the truck except that which is necessary to protect it while it sits there so that during the off-season we reduce costs for our members by reducing their insurance coverage.

Senator **Symms**. Thank you very much for your excellent testimony, we appreciate it.

Now we have the Honorable Anthony R. Ameruso, commissioner of transportation, city of New York.

Anthony, please come forward.

Senator Moynihan, you may wish to make a comment.

Senator **Moynihan**. I welcome to the committee our distinguished commissioner.

Kings County, otherwise known as Brooklyn, even to this day sends more Members to the House of Representatives than 21 States and I think you would find that mile for mile and ton for ton Commissioner Ameruso probably handles more transportation than 21 States. We welcome you here, sir, recognizing there cannot be a more complex job in the world than the one you have.

## STATEMENT OF HON. ANTHONY R. AMERUSO, COMMISSIONER OF TRANSPORTATION, CITY OF NEW YORK

Mr. AMERUSO. Thank you for saying that.

We appreciate the opportunity to speak today and note the comments made by Senator Moynihan earlier on many of the aspects that I wish to speak to relative to the consideration of the Tandem Act of 1984 and the concerns that New York City has in implementing the original STA Act of 1982. Some of the points which have been made I think should be reemphasized, the fact that New York City really is unique and that the 1956 enactment by Congress of the Interstate System, many of the roads we are talking about today existed prior to that date. They were constructed to standards which were acceptable then but of course not acceptable now in terms of lane widths and many of the things mentioned—acceleration, deceleration, radii, the ability to negotiate on shoulders and things of that nature.

We have some pictures here which are probably worth 500 words because of inflation, it used to be a thousand, but Arthur Asserson who I identify as my assistant commissioner of highways will show some of the points of the Interstate System which show the difficulty which we feel would be encountered by the operation of these various trucks.

I note that the American Trucking Association through Mr. Whitlock has agreed, in effect, to a point that we have been trying to make all along that safety is the paramount issue and he would not want to put any of his drivers in a condition or other drivers on the roads in that same situation.

The mere designation of an interstate roadway does not make it OK for all classes of vehicles and that is the point we are stressing.

Arthur, would you just show some of the substandard conditions on the roadways.

Mr. ASSERSON. Well, we have the interchange on I-95. We are looking here where you don't have any long haul. We have continual merge points between on and off ramps. We even have a left-hand off which means even if we were to attempt to keep a double bottom on the right lane he somehow in order to get off would have to weave across three lanes of traffic in perhaps 300 or 400 feet which is not possible. You just don't have the window between two vehicles to move a vehicle and even on an articulated vehicle that is 75 feet long, in a 30-foot window you can't put it in.

The entire interchange here, as we have photographs of other locations, I think bring out one point and that is if one was to get high enough in the air and look down at our network in the city of New York, you would find that the city of New York is really one big interchange on the 41,000 mile system and no one would ever think of trying to bring a vehicle 70 feet long and weave it across that interchange, and that is exactly what our problem is.

Mr. AMERUSO. The Brooklyn-Queens Expressway which is through a densely populated residential area and some industrial areas was constructed in the forties and maybe early fifties, some pieces of the viaduct. You can see by this photograph it was snaked through various neighborhoods with minimum widths taken because at that time nobody wanted their house or their building taken and the compromises that were necessary to construct a facility of this nature were made by the then people who were in charge and perhaps rightly so but again by today's standards they don't have the necessary shoulders. The acceleration lanes or deceleration lanes in some instances are so short that a double-bottom truck would be still on the highway trying to exit onto a local street in an area such as we are showing here today.

Senator SYMMS. Do you think there is an alternate route that could go around the Tarrytown Bridge? Can a truck come up from this part of the country, say from Baltimore, heading for Boston and across the Tarrytown Bridge?

Mr. AMERUSO. That would go across 287 which would be Interstate 87 which is built to the double-bottom standards. There is no question that would be a bypass to a New England trip.

Senator SYMMS. Are you optimistic from what you have heard here this morning that maybe this may be worked out or do you feel pretty confident we need Senator Moynihan's legislation?

Mr. AMERUSO. Well, I think we need it definitely and I will tell you why. We expect and we analyzed and took some legal opinions. We looked at the evidence and we said and our opinion was that the STA Act does not have the statutory authority to exempt interstate segments. As was expressed by Mr. Barnhart this morning when he said it was reasonable to exempt certain statutes in various parts of the country or make certain arrangements, the moment that Florida tried to make that type of arrangement which was a restriction on time operation they sued them of course as the Senator pointed out.

We were looking at it as a mitigating safety element within our system in June when I appeared before Congressman Henderson's committee on the same subject with the Geraldine Ferraro bill. I said that the city would not be a bar to commerce, we realized the implications, but there would have to be certain restrictions, certain ways of choosing the appropriate routes, the time of day operation and only pick things that would really in safety elements operate properly. That is what we were trying to discuss with the Federal Government and with the State. State legislation has been passed relating that to especially New York City.

Senator SYMMS. What you are suggesting, if I understand it correctly, is that the Federal Highway Administration or DOT be given the authority so the State will be able to file for an exemption and the DOT be able to grant exemption for certain areas.

Mr. AMERUSO. Because in their regulations they opposed it. They gave injunctive relief to the trucking industry on this very question so we would be expected to be challenged should we agree today with FHWA on an appropriate safety network or New York City or whatever else we might agree on. We have not agreed on anything yet. We are talking though and I think the Federal Government is trying to be reasonable but we don't believe they have statutory authority.

Senator MOYNIHAN. Mr. Chairman, this is the essence, you see. The State is not trying to take away from the Department of Transportation the final say so but they want to make clear, in statutory language, that the Department of Transportation has the right to say so, otherwise every time it says so they are going to be in court.

If I could just make another point here, something like the Brooklyn-Queens Expressway—I don't want to sound too assertive about New York but this was the world and this was the era of Robert Moses. When Moses first proposed the Interstate Highway System it was the World's Fair in 1936 in the General Motors panorama that showed the Interstate System working and in a good prediction. They began the first urban closed restricted access, in this case elevated arterial systems, and so we are the models in which this whole thing came. As I say, the throughway was the first Interstate segment of the system built and it was the Defense Highway Act of 1956 but what met the needs of trucks in 1940 can't meet the needs in every case of the trucks in 1980.

Mr. AMERUSO. In 1956 about 3,000 miles nationwide was accepted for continuity purposes to form the Interstate System of course with the additional network that was going to be built in the 43,000 miles so there is a portion there of about 10 percent that was accepted in the substandard form that was OK for those days but not right for today.

Senator SYMMS. One question. Primarily these trucks are not on the road yet or are they on the road now?

Mr. AMERUSO. Not to my knowledge. There may be a few slipping through but they are waiting for this to happen.

Senator SYMMS. It is primarily a through traffic problem.

Mr. AMERUSO. We want to get to New England and they want to get to Long Island.

Senator SYMMS. But the major produce market and so forth in New York City now is actually in New Jersey?

Senator MOYNIHAN. It is in the Bronx but it has access to Interstate.

Mr. AMERUSO. There are terminal areas. Right now there is an oversize or overweight vehicle that may be coming from Pennsylvania. We will get them in between 12 and 5 in the morning when there are very few vehicles on the roadway by special permit so there are arrangements. We have to be reasonable as the produce is deposited.

Senator SYMMS. I think most of the produce trucks are not oversized.

Mr. AMERUSO. It may be machinery, it may be something for a new 50-story office building, it could be air conditioning equipment, oversized beams for large cathedral type construction. An enormous amount of activity is now going on for the city as you may or may not be aware and the volumes of traffic throughout the system are overwhelming. The Long Island Expressway carries 140,000 vehicles a day. An Interstate out West might be a side street in Manhattan. I don't say that in a demeaning way. The numbers are such that these are the numbers and if you start looking at the charts and the time of day when the availability of lane space might be for these vehicles, then maybe you could start thinking about some access through the city or pass the city but until we look at that and look at it on a safety basis I don't think we can do anything.

I think this legislation is really only needed to allow that process to take place as it does on the primary system as it was pointed out by Senator Moynihan. The exact criteria in the point by point in the act in 1982 allowed the Secretary of Transportation to address the very safety elements we are speaking about on the Interstate system back to the point. Just because it is an Interstate member does not mean it is a roadway to be operated by the——

Senator SYMMS. Thank you very much. I think you make the point very well. I understand what you are saying. The bottom line is you want the permission to be able to file and have that permission granted to DOT so they can grant you an exemption. That is the bottom line.

Mr. AMERUSO. Without taking the authority away from the State.

Senator SYMMS. Thank you. Your statement will be made a part of the record.

Next is Mr. John Archer, Government Affairs Department, American Automobile Association.

## STATEMENT OF JOHN ARCHER, MANAGING DIRECTOR, GOVERNMENT AFFAIRS DEPARTMENT, AMERICAN AUTOMOBILE ASSOCIATION, ACCOMPANIED BY GEORGE VIVERETTE, AAA HIGHWAY TRANSPORTATION DIRECTOR

Mr. ARCHER. Thank you, Mr. Chairman.

With me today is George Viverette, AAA Highway Transportation director.

In the interest of time I will submit my full statement and summarize.

Senator SYMMS. Your entire statement will be part of the record.

Mr. ARCHER. Thank you.

The AAA would like to comment on two issues, longer and wider trucks on the Nation's highways and equitable taxation of highway users.

Triple A believes it is essential that the national truck network established by the STAA be sufficiently limited to preserve highway safety. Larger, wider, and heavier trucks should not be allowed to use roads for which they were not designed. As has been mentioned, that concern is reflected in the language of subsection 411(e)(1) which clearly indicates the intent to exclude from the truck network any given Federal-aid primary road that could not safely accommodate the larger vehicle combinations mandated by the STAA.

Obviously, safety also should be a top priority with respect to the Interstate System. In the past it has been too easily assumed that the highways comprising the Interstate System are of uniform design standards. As has already been shown, this is not true.

Senator SYMMS. You favor that.

Mr. ARCHER. Absolutely. We favor a change in the law, as suggested by Senator Moynihan.

Under current law even if local, State, and Federal officials all agree that a particular Interstate segment is unsafe, they would still be prohibited from removing that segment from the Federal trucking network unless truck traffic had previously been limited by prior law or regulation. AAA believes this is unreasonable and should be changed.

AAA strongly supports the adoption of an amendment to the STAA to provide an exemption for specific segments of the Interstate System. These exemptions could be made by the Secretary of Transportation at the request of a State Governor after consultation with local government and upon submission of supporting evidence. Legislation to allow such exemptions was introduced last week by Senator Moynihan, S. 2217. Similar language was introduced in the House by Congresswoman Geraldine Ferraro in the last session and incorporated into the House version of H.R. 3103.

With respect to reasonable access, State and local officials should retain the flexibility to prohibit larger vehicles from exiting the Federal networks onto local roads. If a partioular exit or group of exits of the network lead to one or more roads unsuitable for the larger trucks mandated by the STAA, State, and local officials should be guaranteed the discretion to prohibit such trucks from using that exit or group of exits except in emergency situations. This drive-through concept would allow interstate commerce to proceed while insuring that the STAA's allowance for reasonable access could not be used to allow large vehicle combinations to travel roads on which they are unsafe.

With respect to the tax issue, AAA does not believe that these newly enacted taxes should be changed unless compelling justification is shown, and then only after careful study of all possible alternatives. This is particularly true because the large increase in the Federal heavy-truck use tax was widely understood to be the political tradeoff for the increased truck sizes and weights mandated by the 1982 STAA.

This is also true because, as one of the conclusions of the 513(g) study states, the short-term options widely discussed as possible changes in the current tax structure:

> * * * do not solve the majority equity concerns with the current tax structure. The current fees do not fully measure the two principal variables.. weight and distance. To measure them directly and more equitably requires a comprehensive change, specifically a weight-distance tax.

Also in our view we strongly believe a diesel differential will penalize motorists who operate diesel-powered passenger cars or vans even if that tax includes an exemtion for diesel powered vehicles under 10,000 pounds. At the very least motorists filing for refunds or tax credits under such an exemption will be faced with the burden of documenting their claims. We are also afraid that part of any diesel differential will be paid by car and van owners if only because the paperwork requirements associated with any refund system will inevitably lead to at least some claims not being filed.

Finally, let me make two brief comments about the previous testimony. One relates to the administrative cost of the weight-distance tax. We draw a marked distinction between a weight-distance tax and one that is based on ton-mile—the latter clearly has very great administrative problems, but weight-distance tax administrative costs amount to only about 7 percent.

The other point I would like to make about previous testimony dealt with the repeated claims that the truckers are paying more than what was anticipated. What happened was as the economy got better, the motorist contributed more—106 percent of their cost responsibility.

Thank you very much for the opportunity to appear.

Senator SYMMS. Thank you very much, John. We appreciate your testimony.

Panel 3 is Ms. Harriet Parcells and Ms. Katherine Hall.

## STATEMENT OF HARRIET PARCELLS, DIRECTOR, ENERGY CONSERVATION AND TRANSPORTATION PROJECT, ENVIRONMENTAL POLICY INSTITUTE

Ms. PARCELLS. Mr. Chairman, I want to thank you for the opportunity to testify. My name is Harriet Parcells and I am director of the energy conservation and transportation project at the Environmental Policy Institute.

I will summarize my statement and request that my entire statement be part of the record.

Senator SYMMS. Your entire statement will be part of the record.

Ms. PARCELLS. Over the past several years EPI has conducted in-depth research on the subjects of pavement damage caused by heavy vehicles, findings of Federal and State highway cost allocation studies, tax equity and safety issues related to heavy trucks. Our research on these issues is contained in a report, "Heavy Truck Subsidies: Need for a National Weight-Distance Tax," which I will submit as part of our testimony.

In my testimony I would like to briefly highlight our concerns about the heavy truck taxes enacted in the Surface Transportation Assistance Act of 1982. While EPI believes the taxes enacted improved tax equity among highway users, we recommend implementation of a national weight-distance tax as the best means of achieving tax equity. Second, I would like to discuss our concerns about the safety hazard posed by the longer and wider trucks permitted on our highways by the STAA, our opposition to the extensive route network designated by DOT and our contention that such designations violate the STAA and jeopardize public safety.

While the heavy truck use tax enacted in the STAA greatly improved the past tax structure, it perpetuates certain equity problems. First the use tax is insensitive to mileage traveled. Thus, two trucks in the same weight category are assessed the same annual use tax regardless of the variations in miles. Second, despite cries by the trucking industry that the tax is both unfair and onerous, the tax on the heaviest trucks is significantly lower than levels needed to bring equity, and this was brought up in the testimony by Mr. Barnhart.

The Department of Transportation had originally recommended to OMB a maximum use tax of $3,900 per year yet a maximum tax of $1,900 per year was enacted, approximately half the DOT recommended level to bring equity.

Use taxes such as fuel taxes, registration fees and sales taxes fail to adequately match tax payment with cost responsibility. The fuel tax, for example, is a poor assessor of cost responsibility because fuel consumption rises slowly in relation to weight while pavement damage rises exponentially. Figure 1 in our testimony which is taken from the DOT July Working Paper graphically shows that fuel tax payment alone fails to tax heavy vehicles for their cost responsibility.

Under a diesel tax differential, the tax burden would be shifted back to lighter trucks which are already overpaying in taxes and cross-subsidizing the heavy trucks. We believe registration fees also fail to match cost responsibility because they do not distinguish between two vehicles in the same weight category which travel different mileage or the same vehicle which travels different mileage from year to year.

The weight-distance tax in our opinion does not suffer these shortcomings. The weight-distance tax would contribute to a fairer and more efficient tax structure and it could also contribute to a simpler tax structure by eliminating such taxes as tire and sales tax.

Experience in States with weight-distance taxes has demonstrated that they are neither costly nor more difficult to administer than other types of highway taxes. As has been brought up previously, the State of Oregon has had a weight-distance tax in effect for many years that has shown that the administration costs are not high, the burden on the trucking industry has not been great financially and the weight-distance tax requires only two kinds of recordkeeping information, registered truck weight and the number of miles traveled, both of which are already collected by most States and/or required by the Federal Government.

A weight-distance tax is supported by a wide range of organizations including our organization, Friends of the Earth, Sierra Club, State transportation officials and transportation commissions and districts. So we would recommend the weight-distance tax as the most equitable and efficient heavy truck tax.

Let me just state that EPI opposes the substitution of a diesel differential or a diesel differential and reduced use tax for the existing heavy truck use tax because we believe that such an action would restore the tax inequities which the STAA had sought to eliminate.

On our concerns about truck safety I will be very brief because I believe that will be addressed in detail by another member of the panel. I will just say that we oppose the provisions in the STAA which required all States to permit the longer and wider trucks on their highways because we believe these larger vehicles pose safety hazards for other highway users, particularly when they are allowed on highways with less than 12 foot lanes.

Longer trucks experience off-tracking problems due to their longer wheelbase and this can cause encroachment into adjacent vehicle lanes. Wider trucks leave very little clearance for other vehicles, particularly on lanes less than 12 feet wide.

I have also included in my testimony accident statistics published by the Department of Transportation which provide a firm basis for our safety concerns. The large trucks experience almost twice the fatal accident rate per mile as do passenger vehicles.

In particular we are concerned with the vast network of highways designated by the DOT on which the longer and wider trucks will be permitted to operate. We believe that the DOT route designations violate the sections of STAA concerning safety. The DOT designations include primary highways whose lanes are less than 12 feet wide and primaries which cannot safely accommodate the longer trucks.

In conclusion I would like to state that we recommend implementation of the weight-distance tax and we would recommend that DOT be required to make route-by-route designations of only those routes which can safely accommodate the larger trucks.

Senator SYMMS. Thank you very much for your testimony.

Ms. Katherine Hall.

## STATEMENT OF KATHERINE I. HALL, CENTER FOR AUTO SAFETY

Ms. HALL. I thank you for the opportunity to testify today. I ask that my entire statement be made a part of the record.

Senator SYMMS. Without objection, it will be.

Ms. HALL. I am an attorney at the Center for Auto Safety.

I would like to limit my testimony to two aspects of the Surface Transportation Assistance Act of 1982. First, I would like to comment on the manner in which the Department of Transportation has designated certain Federal roads for use by the longer and wider vehicles. Second, I would like to state the center's views on Senate bill 1048.

At the outset I would like to emphasize that the Center for Auto Safety's interest in these issues is premised on our belief that the use of larger trucks on particular highways will increase the number of deaths and injuries suffered on this country's highways. In recent years approximately 50,000 people have died in traffic accidents annually. The enormity of this highway safety problem requires that increased efforts be made to reduce these deaths and injuries. Under no circumstances should the Congress, or any executive agency, act in any manner that threatens to increase this tragic toll.

Unfortunately, the Department of Transportation, in proceeding to implement certain provisions of the STAA, has issued rules that are virtually guaranteed to increase the number of highway deaths and injuries. These rules establish a system of Federal-aid highways that may be used by the longer trucks, permitted by section 411 of the STAA, and wider trucks, permitted by section 416 of the act. In making these designations, the Department has openly ignored the safety criteria contained in the width and length provisions of the act.

The act contains distinct and separate safety criteria that the Department is directed to use in designating highways available for use by longer trucks and wider trucks. For longer trucks there was some discussion today about whether or not interstate highways are automatically eligible and we think it is clear from the statute that they definitely are. In addition to interstate highways, the Secretary may designate Federal-aid to primary highways but only if they are capable of accommodating the longer trucks. We think there is no way the Department can make a determination about whether or not a particular highway can safely accommodate a longer truck without making some kind of initial safety evaluation of each designated route.

The center has submitted numerous Freedom of Information Act requests to the Federal Highway Administration and based on all the records that we have been through there we have not found evidence that the Department has considered the safety of the highways involved. In addition, the Department has admitted itself that it has not separately considered the safety of all routes. As to wider trucks, it has also openly violated the statute. The statute plainly says that wider trucks, 102 inch wide trucks, can only be permitted on highways that have lanes at least 12 feet wide. They have designated many, many thousands of highways that have lanes narrower than 12 feet.

As Harriet mentioned, there are very real safety hazards presented by longer trucks and by wider trucks. For instance, with longer trucks especially on two-lane two-way roads there are serious problems in a passenger car, especially a lower powered passenger car attempting to pass a 65 foot long truck. In many instances, based on the way the highways are marked, it simply cannot be done. Also it can't even be done if a passenger car moves out to pass and decides not to pass. So there is obviously a tremendous potential for serious and fatal accidents there.

In Mr. Barnhart's testimony he mentioned that there had been some litigation involving the FHWA's implementation of the designations. He said that he thought that it had a magnificent record because only five States had sued the FHWA over the designations. I don't know of any instance in which that many States, if any States, have sued FHWA over a program similar to this and I think that it is very significant and very revealing for just how dangerous the designations were that five States were willing to take to court the very agency that dispenses billions of dollars of money to the States every year. The States like to have the FHWA as their partner, they don't like to be in an adversarial relationship with the agency.

The center, joined the the Environmental Policy Institute has also brought suit against the FHWA. As the Environmental Policy Institute testimony makes clear, and our testimony makes clear, our suit alleges that FHWA has plainly violated both provisions of the statute. We are asking that the designations be set aside until those safety criteria are followed.

I would like to briefly mention that the center is not an anti-truck organization at all. We recognize the importance of trucks and in moving commercial goods, but we think it is important to remember that these commercial goods moved quite freely on the highways and in the trucks that were available before the STAA was enacted and there is no immediate pressing need for every single highway to be open to these longer and wider trucks.

I would also like to emphasize that truck drivers as well as passenger car occupants stand to benefit from a cautious designation process. It is not only passenger car occupants that get killed in the truck-car collision, it is the truck drivers who get killed, too.

I would also like to address Senator Moynihan's bill and I can do that very briefly by saying that the center supports the bill. As I have heard it described today, the bill earlier provided that the

States would have an authority to make the designations in their State. We think that the Federal Government should keep that responsibility. We think the act needs to be amended so that all Interstate highways are not automatically opened to longer trucks.

The bill also contains a section that requires the Secretary to establish standards and operating characteristics which are required to safely accommodate the longer trucks. We think the Secretary should establish standards of that nature before ever designating the highways for longer trucks in the first instance and we think that that portion of the act is needed now to help the Secretary to establish those standards.

Thank you.

Senator SYMMS. Thank you very much.

Are you both optimistic that this will be worked out with respect to highway safety and the truck question?

Ms. HALL. I am very optimistic that the center is going to win our lawsuit because I think the FHWA has plainly violated the statute and I am confident that the Federal district judge will so hold.

Senator SYMMS. Where is the case? Is it here in the District of Columbia?

Ms. HALL. It is here in the District of Columbia, Federal District Court.

Senator SYMMS. Are you optimistic that will be resolved one way or another?

Ms. PARCELLS. I will agree with Kathy, I think we have very strong grounds to stand on in our suit.

Senator SYMMS. You don't think it will be resolved without either legislation or a court case?

Ms. HALL. No, because, for instance, the center has submitted extensive comments to the agency on really basic points like the fact that the agency has designated thousands of miles of highway with lanes less than 12 feet wide, and the agency is continuing to keep those highways open to wider trucks.

Senator SYMMS. Thank you both very much. We appreciate your testimony.

Mr. Dempsey, we are delighted to have you here and hear from you.

## STATEMENT OF WILLIAM H. DEMPSEY, PRESIDENT, ASSOCIATION OF AMERICAN RAILROADS, PRESENTED BY RICHARD E. BRIGGS, EXECUTIVE VICE PRESIDENT, AND L. LEONARD LANE, EXECTIVE DIRECTOR, OF INTERMODAL POLICY STUDIES

Mr. BRIGGS. Mr. Chairman, I am Richard Briggs, executive vice president, Association of American Railroads. Mr. Dempsey could not be here and asked me to present his statement.

Senator SYMMS. The entire statement will be part of the record and I can assure you that it will be carefully looked at by the rest of the committee and the staff.

Mr. BRIGGS. Thank you, Senator.

Let me highlight a few of the major points.

Obviously what happens with highway-user charges is critical to us. The railroad industry competes with the trucking industry for about two-thirds of our traffic and any significant change in the user-charge structure impacts directly on railroads and its half million employees. The legislation in 1982 that you are reconsidering increased Federal highway-user taxes for the first time in 21 years. Yet despite that increase, Federal highway-user charges on heavy trucks fall short of their full-cost responsibility.

While the increase in 1982 was significant, it is important to note that, even when they are fully phased in, Federal user charges will represent an even smaller percentage of truck costs in 1989 than they did in 1961. The 1982 legislation, of course, did more than just raise rates. For the big trucks there were major benefits; namely, the increase in vehicle size and weight limits. Roughly speaking, those factors combined will add to truck capacity as much as 31 percent and according to the Department of Transportation those benefits for bigger trucks outweigh the user charges at full implementation by more than 3 to 1.

So we find it particularly inappropriate that, having fallen considerably short of paying their fair share under the revised charges and having gained substantial benefits from increased size and weights the trucking industry is now proposing revisions which (1) would reduce the funds available for highway maintenance substantially below of what is needed, and (2) shift the equity of the payments among vehicle classes.

The so-called 5 cents per gallon tax has some other problems with it, too. Since it involves diesel oil which is relatively easily substituted by other types of fuel, this tax is subject to significant evasion. And in the medium run and more obviously in the long run the diesel tax is an unstable source of revenues. As engines become more efficient and the cost of fuel seems to demand that they must, the source of revenues will drop sharply.

Finally, the diesel differential is inequitable. There is a poor correlation between highway-cost responsibility and fuel consumption. If H.R. 2124 was enacted, for example, payments made by large trucks would drop to 58 percent of their cost responsibility. That is a substantial departure from the approach to equity taken in the 1982 legislation.

Much of this debate, of course, turns on cost allocations and reasonable men and women may differ on the approach but the FHWA approach was based on extensive research on the relationship of axle loads and pavement wear and on the effect of the environment. We think it is a very sound starting point. Millions of dollars and numerous years went into that effort and that methodology has been endorsed by many groups, including those whom we feel should know the most about it, the State highway and transportation officials. It places highway cost allocation on a reasonably fair basis.

Let no one say it harshly impacts on trucks. For example, the residual costs of those allocations which amount to almost half of all Federal highway expenditures are proportioned on the basis of vehicle-miles traveled without regard to road damage so that we think in any objective appraisal that that basis surely does not underestimate the damage caused by large trucks.

If in fact the desire is to improve upon the form of taxation, we would strongly urge that you consider weight-distance taxes. Many of the arguments for that type of tax will come up this afternoon, so I will not dwell on them at length. But I think that if we are looking for a tax that more closely matches cost responsibility with payment, the weight-distance tax is the ideal form of tax, one which can be reasonably and simply administered and one which solves the existing inequity caused the difference in costs for high-mileage vehicle versus the vehicle that travels relatively small amounts or has seasonal operations.

In short, we feel that if highway-user charges are to be changed, it should be changed to a weight-distance tax. The result should be no adverse revenue impact and certainly no downward shifting of the cost responsibility of the group which now pays the smallest amount of its full cost.

Thank you.

Senator SYMMS. Thank you very much. If we have any other questions, we will submit them in writing.

I am 20 minutes late to a meeting I am supposed to be at so the committee stands in recess.

[Whereupon, at 1:20 p.m. the subcommittee recessed to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]

# STATEMENT OF FEDERAL HIGHWAY ADMINISTRATOR
RAY A. BARNHART
BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION OF THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
UNITED STATES SENATE
CONCERNING TRUCK ISSUES
FEBRUARY 1, 1984

Mr. Chairman, Members of the Committee, I am pleased to be here. First, I would like to discuss the progress of the Federal-aid highway program since the enactment of the Surface Transportation Assistance Act of 1982 (STAA), our expectations for 1984 and problems we have with the Interstate Cost Estimate (ICE), the Interstate Substitution Cost Estimate (ISCE), and the Highway Trust Fund (HTF).

Since the enactment of the STAA, we have made excellent progress in utilizing the increased level of Federal-Aid funding for needed highway improvements. All of the $12.375 billion under the fiscal year (FY) 1983 ceiling was obligated. When nonceiling programs are added in, the total obligations for FY 1983 were $12.8 billion compared to $8.2 billion for FY 1982. Major programs have made substantial progress with the increases provided by the STAA, increases of 25% for obligations of regular Interstate funds, 100% for Interstate discretionary funds, 200% for Interstate 4R, 60% for primary, and 68% for the bridge replacement and rehabilitation program.

Based on the obligations for FY 1983, the States have demonstrated the ability to maintain the obligation rate necessary to meet the 1984 obligation ceiling of $12.520 billion. In August 1983, 37 States indicated an ability to obligate $1.4 billion in additional obligation authority. Total obligations are, however, down for the first quarter of FY 1984 when compared to the obligation rate for the last three quarters of FY 1983. Obligations for the first four months of FY 1984 are only slightly higher than average obligations in the first four months of FY 1983, $715 million per month versus $680 million per month. Obligations for the first quarter of FY 1984 are significantly less than average obligations in the first quarters of the last five fiscal years, $725 million per month versus $745 million per month.

Interstate 4R, primary and bridge program obligations are up significantly compared to the same period in FY 1983, but Interstate construction obligations are way down, averaging $35 million per month compared to an average of $202 million per month for the first three months of FY 1983 and an average of $360 million per month for all of FY 1983. The problem is directly related to our inability to make the Interstate Apportionments for FY 1984 because the ICE has not been approved. The States appear to have a good backlog of projects. Preliminary results of an American Association of State Highway and Transportation Officials survey made in December 1983 indicate that if the ICE and the ISCE are approved before March of 1984, the States could use all of their obligation authority.

We feel confident that the States will be able to continue to obligate available funds in FY 1984 as they did in FY 1983. Congressional approval of the ICE and the ISCE must, however, occur soon to make full use of Interstate, Interstate substitution and minimum allocation funds.

The HTF, while able to support existing programs, does not provide unlimited revenues. The enactment of additional special interest or demonstration program legislation would jeopardize the balance in the HTF necessary to support the Federal-aid highway program. We ask your support, Mr. Chairman, and the support of the Committee in limiting this type of encroachment on the HTF.

I would now like to discuss truck issues and concerns that have been raised by the enactment and implementation of the Surface Transportation Assistance Act of 1982 (STAA). These issues include the heavy truck use tax and alternatives to it; a national designated network of Interstate and primary highways for larger commercial vehicles and reasonable access to that designated network; truck size and weight limits and the bridge gross weight formula; the report on a network for larger double and triple trailer truck operations; the uniformity of state motor carrier regulations; monitoring double-bottom truck operations; the Interstate 4R apportionment formula study; and a bill, S. 1231, which would exempt piggyback trailers and semitrailers from the 12 percent sales tax on motor vehicles. I will also discuss S. 1931, a bill to increase the exemption from the fuel tax for gasohol from 5 cents to 9 cents per gallon.

## The Heavy Truck Use Tax and Alternatives

The heavy truck use tax was increased by the STAA, with the increases being phased in beginning July 1, 1984, resulting in a final maximum use tax of $1,900 on trucks of 80,000 pounds or more after July 1, 1988. Section 513(g) of the STAA directed a study of alternatives to the heavy truck use tax and a report to be sent to the Congress no later than January 1, 1985. That report on the 513(g) study has been completed and was sent to the Congress on January 25, 1984.

Bills have been introduced in the Congress which would repeal the heavy truck use tax and increase the tax on diesel fuel. Now that the study is complete, it reveals that these bills would impair the equity of the highway tax structure by sharply reducing the relative burden borne by the heaviest trucks which still underpay their share of highway wear and tear and would reduce total revenues flowing into the Highway Trust Fund. The 513(g) study and report focus on maintaining or improving the fairness of the highway tax structure while remaining "revenue neutral," that is retaining revenue levels equal to those already enacted.

Options examined in the 513(g) report that are nearly equivalent to existing levels of revenue for a 5-year period include:

DOT 1, a 9-cent diesel differential with elimination of the use tax;

DOT 4, a 6-cent diesel differential with reduction in the use tax to a maximum of $650 and modification to the weight threshold to 55,000 pounds;

DOT 5, a 5-cent diesel differential with reduction in the use tax to a maximum of $950 and modification to the weight threshold to 55,000 pounds

DOT 6, a 4 1/2-cent diesel differential with reduction of the use tax (graduated rate over time to a ceiling in 1987 of $1,200) and modification to the weight threshold (55,000 pounds);

DOT 7, a 5 1/2-cent diesel differential with reduction of the use tax (graduated rate over time to a ceiling in 1987 of $900) and modification to the weight threshold (55,000 pounds); and

DOT 10, a registered gross weight distance tax with the elimination of the use, retail excise and tire taxes.

Our assessment of the options in the report is based on maintaining revenues, in total and by vehicle class; maintaining equity within user classes; and simplifying administrative and enforcement requirements. Of the options that are revenue neutral, some do not maintain the equity among and within user classes as well as others and some are inferior with regard to administrative and compliance aspects. We believe that, in the event Congress determines to reconsider modifications to the highway use taxes enacted in the STAA, the revenue, equity and compliance implications of any alternative tax should be examined closely.

## The Designated Truck Network and Reasonable Access

The STAA provided for a national network of Interstate and primary highways for larger commercial vehicles (doubles and longer trailers) with a provision of reasonable access to the network. Agreements have been reached with 43 States, Puerto Rico, and the District of Columbia on a proposed final network. In 2 States, New York and New Jersey, unresolved issues on the network remain on less than 150 miles of primary routes. Discussions with the five States that have litigated questions concerning the networks in Alabama, Florida, Georgia, Pennsylvania and Vermont should shortly lead to the designation of an interim network in those States.

Progress is being made with regard to reasonable access. Twenty-six States already have enacted some form of reasonable access provisions either through legislation or regulations and 24 States are considering reasonable access provisions. We propose to allow the States to determine reasonable access through regulation and practice. We will closely monitor these determinations to determine if further actions are necessary.

## Truck Size and Weight and The Bridge Formula

Strict application of the bridge formula by States, particularly since passage of the STAA, has in some instances resulted in a significant reduction in legally allowable payload from that which was allowed before those States enforced the internal axle and wheelbase constraints of the bridge formula. The bridge formula was originally devised to protect bridges from any severe overstresses. Recent analysis has shown that the existing formula excludes some vehicles of particular axle configurations even though those vehicles do not severely overstress bridges. We believe that some refinement of the formula may be possible which would correct the problem while still preventing bridge overstress.

The FHWA has requested contract proposals to evaluate the adequacy of the present bridge weight formula, and to help determine if a revised bridge formula would be more appropriate and what its impact would be on pavements and bridges.

## Report Regarding Longer Combination Commercial Motor Vehicles

Sections 138 and 415 of the STAA require a report on the benefits and costs of establishing a nationwide highway network for longer and heavier combination commercial vehicles (turnpike doubles and triples).

The report is to identify costs and benefits of a network for longer double-and-triple-trailer truck operations. The network is to be composed of interconnected segments of the Interstate System and highways of comparable design and capacity. Vehicles are to be subject to the "Bridge Formula" and to the maximum single and tandem axle weight limits of section 127 of title 23, United States Code. To assist in making the required report to the Congress, specific portions of FHWA's large truck safety research project are being focused on the safety and handling characteristics of these larger vehicles. Although no recommendations have yet been developed, modifications to weight limits allowed by application of the bridge formula may be necessary to protect certain bridges. The study report will have to be submitted several months late (sometime this autumn) if analysis of the effects on railroads is to be completed. We think this analysis is important enough to warrant the delay.

## Uniformity of State Motor Carrier Regulations

The Motor Carrier Act of 1980 declared that State regulations and requirements imposed upon interstate motor carriers regarding licensing, registration, and filings are confusing, lacking in uniformity, unnecessarily duplicative, and burdensome. The Act directed DOT and ICC to develop legislation or recommendations to provide for a more efficient and equitable system of State regulation for interstate motor carriers. In response, the Department and ICC delivered a report to Congress in December 1982 documenting the cost and inefficiency of the diverse State procedures.

The Department submitted a legislative proposal in November 1983 that was introduced in the House as H.R. 4518. The legislation provides for establishing a working group of State officials to recommend a set of uniform standards for vehicle registrations, fuel tax, and third structure tax procedures. We hope that the bill will be introduced in the Senate in the near future.

The working group would address standard procedures and forms; a base State certification; a single State unit for filings, applications, and permits; payments through the base State of fees and taxes due other States; and equitable distribution of revenues among States and would complete the task in 1 year. The working group would not be authorized to study tax levels. The Secretary of Transportation would be given authority to enter into rulemaking. The Attorney General could seek injunctions to enforce the resultant regulations.

We believe that the enactment of this legislative proposal would result in increased efficiencies for the affected parties: the interstate motor carriers, the States, and consumers. We ask your help Mr. Chairman, and the help of Commitee members in enacting our legislative proposal.

## Monitoring Double-Bottom Truck Operations

Section 144 of the STAA of 1982 directed the Secretary of Transportation to enter into arrangements with the National Academy of Sciences (NAS) for monitoring the highway and highway safety effects of double-bottom operations on the Interstate Highway System. A report is to be submitted to the Congress on the monitoring study no later than 2 years after arrangements are made.

A contract has been awarded to the Transportation Research Board (TRB) of the NAS to develop a work plan for the monitoring effort and we have earmarked $450,000 for use in the eventual monitoring effort. We expect to make arrangements with TRB to begin the monitoring program during the latter part of the 1984 fiscal year. The TRB has already convened a committee representing necessary disciplines to assist in designing, carrying out and evaluating the monitoring program. A report on the findings of the doubles monitoring study will be submitted to the Congress no later than 2 years after arrangements are made to being the monitoring program.

## Interstate 4R Apportionment Formula Study

The STAA directed DOT to study alternative apportioment factors for the Interstate 4R Program that might provide a more equitable and efficient distribution of 4R funds. This report was sent to Congress on December 20, 1983. Seventeen factors have been evaluated based on comments from the States. Among these are truck travel, including heavy truck travel. Analysis of alternative factors and formulas showed that the current formula correlates strongly with the three criteria selected for the study: need, benefit, and national defense. However, because the issues addressed are important and complex and because better data, particularly with respect to truck traffic, may yield different findings, we will continue to examine the issue and others. The study concluded that no compelling case can be made for changing the I-4R apportionment formula at this time. In short, the current factors and formula, as developed by the political process, perform rather well, whether evaluated qualitatively or quantitatively.

## S. 1231, Piggyback Trailers

S. 1231 is a bill which would amend the Internal Revenue Code of 1954 to exempt piggyback trailers and semitrailers from the 12 percent sales tax on motor vehicles.

Over 150,000 piggyback trailers are used by railroads for piggyback service. These trailers also operate extensively on highways. The number of miles operated on highways is not monitored by a public authority or other source which can be validated; however, recent trends suggest that the mileage is increasing dramatically. While these types of trucks spend part of their useful lives off the highways on railcars, when they do travel the highways, the are causing substantial wear and tear on the highway system. Thus, it would not be equitable to exempt replacements to the existing fleet of trailers from the sales tax.

Moreover, this change would invite abuse because purchasers might buy piggyback trailers to avoid the sales tax, even if they did not plan to use the trailers on flatcars. The Association of American Railroads has established specifications for this equipment. These specifications include reinforced sides and dollies which add approximately 1,000 pounds to the weight and less than $1,000 to the cost of a standard 40-foot trailer. The extra weight and cost are insufficient penalties to prevent the purchase of the trailers for road use in order to avoid the excise tax. Since the trailers are estimated to account for approximately 7 percent of all current trailer sales, the proposed exemption would represent a Trust Fund revenue loss of at least $15 million per year just for replacement trailers. If all trailers were built so as to qualify for the exemption, the revenue loss would amount to approximately $212 million annually.

The fact that the Internal Revenue Code includes an exemption to the 12 percent sales tax for rail vans that are designed to be used both as railroad cars and highway vehicles does not mean that a similar exemption should be granted to piggyback trailers. The exemption for rail vans was based on the assumption that a rail van would be used for only limited highway travel. This is logical to assume because a rail van would be very expensive and uneconomical to use as an over-the-road trailer. As explained above, piggyback trailers would not be expensive and uneconomical as they cost less than $1,000 over trailers designed for highway travel.

To summarize, the proposed exemption is not in the public interest. When used on the highway, piggyback trailers cause damage to the Nation's highways and operators of these trailers should bear their fair share of highway maintenance and improvement costs. Further, under the proposed exemption, there would be a strong incentive to build all trailers as piggyback trailers, independent of their intended use. This would result in a major loss of revenue for the HTF. As a class, heavy trucks currently underpay their share of highway costs and this exemption would make the situation worse. For all of the reasons described above, we would oppose enactment of S. 1231.

### S. 1931, Gasohol Exemption

S. 1931 would increase the exemption from the gasoline excise tax for gasohol from 5 cents to 9 cents per gallon. The bill provides that revenue lost to the Highway Trust Fund (HTF) as a result of S. 1931 would be replaced by transfer to the HTF from the Windfall Profit Tax Account in the general fund of the Treasury.

The basic funding principle of the Federal-aid highway program is that highway users should pay their proportionate share of the cost created by their use of the highway system. Increasing the existing tax exemption for gasohol would be in direct conflict with this accepted principle. Gasohol-fueled vehicles cause wear and tear to the highway system but, under S. 1931, they would not be charged for any of the costs they create. This would be a serious encroachment on the user fee principle.

Moreover, this proposal would result in an increased Federal deficit. The existing 5 cent per gallon gasohol exemption results in losses to the HTF that are expected to be $196 million in fiscal year (FY) 1984 and increase to $247 million per year by FY 1988. These foregone revenues to the HTF are not compensated for by a transfer of funds from the general fund of the Treasury. S. 1931 provides that additional revenue losses to the HTF resulting from the additional 4 cent per gallon gasohol exemption would be compensated for by a transfer from the general fund of the Treasury. Although the revenue loss to the HTF would not increase, the increased gasohol exemption results in an increase in the Federal deficit amounting to $467 million in FY 1988. This deficit computation was prepared by the Department of the Treasury and takes into account the loss of fuel tax receipts as well as partially offsetting increases in other Treasury receipts.

All of the revenue estimates are based on current projections of oil and corn prices which affect the comparative prices of gasoline and gasohol. Higher than projected oil prices and lower than projected corn prices, coupled with a continuation of expansion of State excise tax exemptions for gasohol, would result in greater substitution of gasohol for gasoline and in greater Federal deficit projections.

A shift by consumers from gasoline to gasohol would further reduce the HTF's gasoline excise tax receipts. This decrease in user fees, coupled with the substitution of Windfall Profit Tax receipts for user fees, could have a serious negative impact on the structure of the highway program. If highway user taxes were to account for less than 90 percent of HTF receipts, under the provisions of section 401 of the Congressional Budget Act of 1974, the Federal-aid highway program could no longer be funded using contract authority. The loss of contract authority would subject highway funding to the annual appropriations process and would reduce the certainty and predictability of Federal highway funding. This would reduce the ability of the States to plan for future highway construction.

For the reasons described above, we oppose the provisions of S. 1931. For similar reasons, we would also oppose an increase in the exemption from 5 cents to 6 cents. While the revenue loss and program impact would not be as severe as S. 1931, it would still increase the Federal deficit by $130 to $150 million in the short-term and encroach on the equity principle embodied in the user fee.

The Highway Trust Fund is adequate to fund authorizations through FY 1986. Additional demands on the HTF, through special purpose authorizations or through exemptions, should be avoided. We ask your help, Mr. Chairman, to avoid these special purpose exemptions. We thank you, Mr. Chairman, for the support you have always given to maintaining the adequacy of the HTF.

That concludes my statement. I would be happy to respond to your questions.

# REVIEW
# OF
# FHWA PRESTRESSED CONCRETE
# PAVEMENT IMPLEMENTATION

Submitted to

Mr. Ray Barnhart
Federal Highway Administrator

by

Dr. B. Frank McCullough, Director
The Center for Transportation Research
The University of Texas
at Austin

The following has been excerpted from the above named report. The complete report has been retained in committe files.

February 1984

# PREFACE

This report was prepared for the reader to study at two levels:

(1) An Executive Summary is provided for a reader interested in an overview. Thus, the observations, conclusions, etc. are presented in terms of the basic issues outlined in Mr. Nader's letter of July 4, 1983. At the end of each key point, the page number is the main body of the report that supports the conclusion is given.

(2) The main body of the report presents in detail the results of this study. The conclusion, observation, etc. at the end of each section used in the Executive Summary is underlined for emphasis.

The author arrived at these results after an extensive study of literature on prestressed concrete, and approximately 27 years of experience in the field of pavement design and research.

## EXECUTIVE SUMMARY

### THE PROBLEM

Recently, prestressed concrete pavement has become a controversial topic as a result of a letter to the Secretary of Transportation, Elizabeth Dole, wherein Mr. Ralph Nader in essence charged the Federal Highway Administration with mishandling the potential of prestressed pavements. The basic charges outlined in Mr. Nader's letter may be separated into five basic areas, as follows:

(1) The Interstate Highways are deteriorating too rapidly, because of an alleged collusion between industry and the FHWA to increase business opportunities.

(2) Design methods for prestressed pavements have been available for approximately ten years.

(3) The FHWA has been withholding information on prestressed pavements.

(4) There is a coziness between the FHWA and the Portland Cement Association.

(5) An FHWA employee was reprimanded for displaying an urgency to make this pavement type available to the highway designer.

### ANALYSIS AND CONCLUSIONS

This report presents the results of a study to determine (1) the state-of-the-art with reference to the state-of-the-practice for prestressed concrete pavement and (2) whether or not actions of the FHWA have caused the state-of-the-practice to lag the state-of-the-art unnecessarily. In the following sections, the findings are discussed for each of the first four charges from a philosophical and technical standpoint. The employee problem was not considered as a part of this report.

## Highway Wearout

1. A logical review indicates that the pavement wearout being experienced is due to the end of the design life mandated by law, an increased legal axle load, or a traffic expansion greater than projected, rather than to a collusion between government agencies and the cement and steel industries to underdesign pavements and thereby increase sales. (page 7)

2. A technical review shows that although the use of prestressed concrete pavements may allow for thinner concrete slabs, an improved and more costly subbase must be used; therefore, on a per square yard basis, the prestressed concrete and conventional concrete pavements are very close in total cost. Hence, large savings cannot be supported on first cost basis. (page 15)

3. The performance of the inservice projects indicates prestressed pavements have a competitive place with other concrete pavements types. On each project problems were experienced, as is the case for many pavement types; thus, although prestressed concrete pavements may be considered as a viable alternative, they are not a panacea that corrects all previous problems. (page 33)

## Availability of Method

1. There will not be an extensive application by local government agencies of a new design method, such as prestressed pavements, until there is a successful trial of several pavements in the field under various climatic and traffic conditions. The successful ten-year-plus implementation period for prestressed pavements in four states indicates that testing of this

pavement type and design is just reaching an acceptable level. (page 11)

2. From a technical standpoint, there is not a current, validated design procedure for practitioners to use in designing prestressed pavement; and, furthermore, the technical information and material developments were available too late to have an impact on the development of the Interstate Highway system. (page 20)

Witholding Information

1. A logical examination of events over the past ten years indicates that, rather than withholding information, the FHWA has been the leading instigator of prestressed concrete pavement activities through its research program and in the limited areas where it initiates pavement selection. Thus, rather than withholding information, it has actively promoted it, but very little interest has been stirred, due to the state of the economy and limited pavement construction since 1973. (page 12)

2. A review of the organization in the FHWA which had recognized the limited technical knowledge on prestressed highway pavements in the U.S. and had taken steps to perform needed research studies and implement the construction of a prestressed pavement shows it did not receive the full benefit of promoting these activities, due to the reduction in forces mandated by the Executive Branch of the U.S. government and also to the normal process of employees' changing jobs for their technical or financial benefit. (page 26)

Influence of Cement Industry

1. A logical examination indicates that an improved product or design that resulted in a thinner pavement on a given project would result in a distinct advantage to one industry over its competition, thereby increasing sales, in accordance with what is accepted as the "American System." Therefore, if we

accept this supposition, that prestressed concrete pavement is truly the superior product, it would be in the best interest of the portland cement industry of the U.S. to press for its use for every conceivable project. (page 13)

2. The award of the prestressed concrete pavement project to the Portland Cement Association followed the normal contracting procedures of the FHWA, although the time and monetary extensions were greater than average. The recommendations as to joint spacing and thickness were in accordance with the intent of the Zero Maintenance Program, of which the PCA project was a part. (page 29)

# STATEMENT BEFORE THE
# SUBCOMMITTEE ON TRANSPORTATION
# SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Relating to
IMPLEMENTATION OF THE
SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982
AND RELATED ISSUES

by

WILLIAM A. ORDWAY

Director, Arizona Department of Transportation

and

President of the American Association of State Highway
and Transportation Officials

February 1, 1984

Founded in 1914, AASHTO represents the departments concerned with highways and transportation in the States, the District of Columbia, and Puerto Rico, to foster the development, operation and maintenance of an integrated national transportation system. The active members of AASHTO are the duly constituted heads and other chief directing officials of the member highway and transportation agencies.

Mr. Chairman, my name is William A. Ordway, and I appear here at your invitation in two capacities. First, I am President of the American Association of State Highway and Transportation Officials, and we are pleased to have this opportunity to express some of the views of our member departments about the issues you are examining. Secondly, I am also appearing as Director of the Arizona Department of Transportation.

Your letter of invitation, Mr. Chairman, indicated that you wanted to receive testimony relating to truck matters. Issues related to the trucks operating on the nation's highways have occupied much of AASHTO's attention over the past year, especially as they relate to truck registration practices and heavy vehicle taxation. We initiated a study last May under our Standing Committee on Planning to make an in depth examination of truck taxation and registration issues, and named a Steering Committee to guide our study. During your hearings in Idaho last August we advised your committee that this study was underway, and I am pleased to advise that it has now been completed.

I am pleased to be joined here today by the Chairman of our Standing Committee on Planning, Thomas D. Larson, who is Secretary of Transportation in Pennsylvania, and by Lowell K. Bridwell. Mr. Bridwell is Secretary of Transportation in Maryland, and served as Chairman of the Steering Committee for our study of Motor Carrier Taxation and Registration Issues, which has completed its work. Secretary Larson and Secretary Bridwell will be pleased to respond to any questions you may have about the issues discussed in the study and in this written testimony.

Mr. Chairman, before turning to truck-related issues, I would like to offer some of our general observations regarding the implementation of the Surface Transportation Assistance Act of 1982, that landmark piece of legislation your Committee helped enact in December, 1982.

The STAA of 1982 greatly increased the level of activity in the Federal-Aid Highway Program during 1983, a year that saw our member departments put to work essentially every dollar you made available. Much was accomplished, and if the level of activity envisioned by the STAA of 1982 can be sustained during the full term of the bill we will all be able to breathe easier about the condition of our nation's highways.

The STAA of 1982, when fully implemented, will complete many of the existing gaps in our Interstate highway system. In Arizona, we look forward to utilizing its provisions to complete the Papago project, and other badly needed facilities. The Act will also allow us to do much of the vitally needed work nationally involved in rehabilitating our existing Interstate highway system, address the most critical bridge needs, and make improvements on our primary, secondary and urban systems.

Important as the STAA of 1982 is, we must point out that it will not solve all of our highway problems. The total funding that may become available through the Act should allow us to meet minimum needs on the Federal-Aid highway system, but no more. The bill did not establish a vast, new highway program. Instead, essentially every dollar of the new money authorized has been earmarked for vitally needed projects that were delayed awaiting the increased funding levels provided by the December, 1982 bill.

Within AASHTO, we know that the increased authorization levels of the STAA of 1982, welcome as they are, will just meet our minimum needs. We must therefore be very concerned when, after passing the STAA of 1982, Congress failed during 1983 to timely approve a necessary Interstate Cost Estimate and Interstate Substitute Cost Estimate (ICE-ISCE). This had the effect of locking up over $5 billion needed by the Federal-Aid Highway program. Ironically, that $5 billion equates to nearly all of the new money provided to the Federal-Aid highway program by the STAA of 1982.

The lack of an approved ICE-ISCE thus far in FY 1984 has already delayed some 170 highway projects nationwide, involving about $787 million that should have been at work providing safer roads, supporting business recovery and creating jobs. If the delay in approving an ICE-ISCE continues to March 1, some 475 projects will have been delayed, with a value of $1.24 billion. This information comes from a survey AASHTO has just completed of our member departments, at the request of Congressional staff. We have reported the full results of that survey to Senator Robert Stafford in a letter dated January 20, 1984, from AASHTO Executive Director Francis B. Francois. While your Committee has already been provided with copies of that letter, we are submitting another copy with this testimony.

Mr. Chairman, we believe a first order of business for this session of Congress should be the passage of an ICE-ISCE before the recess in mid-February. This will not undo the damage already done, but it will certainly act to prevent further delays nation-wide on the scale summarized in Mr. Francois' January 20 letter.

We are also concerned, Mr. Chairman, about FY 1985. The Federal Highway Administration is scheduled to provide advance notification to the states just five months from today, of their probable apportionments for FY 1985. On October 1, just nine months from today, distribution of the apportionments should occur, if we are to avoid a repetition of what has happened in FY 1984 and make possible a rational, well planned highway program. The best way to assure this result is for Congress to approve a multi-year ICE-ISCE now.

Mr. Chairman, it is somewhat difficult to address other issues in the Federal-Aid Highway program while the ICE-ISCE problem is with us, especially when that problem should not have occurred. We know that this Committee is committed to a resolution of the ICE-ISCE situation, and we anxiously await the outcome of your efforts.

Turning now to other issues, we continue to find that substantially all of the significant provisions of the STAA of 1982 are working effectively. This has occurred in large part because of an effective, determined partnership between the states and the Federal Highway Administration, and we are all indebted to the quality of leadership exhibited by the FHWA during this past year.

There continue to be some problems with the Disadvantaged Business Enterprise provisions of the STAA of 1982, but many states have made great progress in implementing the provisions of Sec. 105(f). Within AASHTO, we have created a Task Force on Sec. 105(f), chaired by Commissioner Harold C. King, of Virginia. That Task Force has collected and distributed information of help to the states in meeting their DBE goals, and is continuing its efforts. On last Friday, January 27, our Executive Committee voted to request the Federal Highway Administrator to join with our member departments in a series of seminars designed to help further improve implementation of Sec. 105(f).

Looking at the redefinition of the Interstate completion program that occurred in 1981, and the increased flexibility to transfer certain categorical funds to other categories, we believe that generally these have worked as Congress intended. However, some states are encountering problems that would appear to be solvable through still greater flexibility in making categorical transfers. We would again point to AASHTO's position calling for the allowability of transfers in both directions between the Interstate completion and Interstate 4R categories, as a step that would help.

Moving to another area, the matching fund waiver provisions of the STAA of 1982 continue to be of value to several states. However, our AASHTO survey indicates that at least two states will place a demand on these funds during FY 1984 that will exceed the limit set under the current law. This problem could be addressed by passage of the technical correction increase to the STAA of 1982 now pending in H.R. 3103, as it was passed separately in both Houses.

There are a number of other, relatively minor issues in the Federal-Aid Highway program. Overall, however, AASHTO believes the STAA of 1982 is functioning well in so far as the Federal-Aid Highway program is concerned. We again point out, however, the need for an immediate ICE-ISCE approval, and action to assure that we are not faced with the same problem again later this year.

Let me now turn to truck issues, including those generated by the STAA of 1982, and the registration and taxation issues facing our heavy interstate trucks as they carry out vitally needed movements across America.

Among the significant truck-related provisions of the STAA of 1982 were ones that prohibited states from placing less than an 80,000 pound limit on trucks, established a national width standard of 102 inches for trucks, eliminated the ability of our states to regulate truck and trailer lengths as in the past, and calling for the designation of national truck routes. Each of these provisions caused some problems, and we commented about some of them in the testimony John A. Clements submitted to you during your field hearings in Idaho on August 22, 1983. Since August, there have been some specific actions taken by the AASHTO Policy Committee that we would now call to your attention.

In October, our member departments enacted two Resolutions that reflect specific concerns relating to the truck provisions of the STAA of 1982. The first of these, Mr. Chairman, addresses a problem occurring in connection with certain Interstate segments, particularly in the Northeast, that were constructed before the Interstate program started. The Resolution is titled "AASHTO Position on the Operation of Wider and Tandem Trucks on Segments of Interstate Routes Which Cannot Safely Accommodate Such Configurations", and a copy is attached.

The situation is as follows. Some of these early constructed Interstate highways have ramps and other geometric features that cannot safely handle the wider trucks and the tractor-semitrailer-trailer combinations mandated by the STAA of 1982. The Federal Highway Administration has recognized the problem, and administratively taken action designed to provide relief in certain critical locations. However, there is concern in the states that the language of the STAA of 1982 might not support the exercise of such administrative discretion by the FHWA in the event of court action. Thus, AASHTO believes that when amendments to the STAA of 1982 are considered, a provision should be enacted specifically giving the Secretary of Transportation the discretionary authority to allow the states to establish, maintain and enforce state laws limiting operation of 102-inch wide trucks and tandems to those segments of the Interstate highway system that are engineeringly capable of safely accommodating the equipment.

Mr. Chairman, we have noted that Sen. Daniel Moynihan has now introduced S. 2217, the "Tandem Truck Safety Act of 1984", which addresses this issue. We are pleased to observe that the bill takes into account our concerns, as expressed in the attached Resolution.

The second Resolution addresses Section 411(b) of the STAA of 1982, regarding the grandfather provisions. Looking at the third sentence of this Section, AASHTO believes the law should be clarified to make its enforcement more practical. This could be done by inserting the words "within the then allowable State maximum overall length limits" after the third sentence, as explained in the Resolution. The term "actual and lawful use" contained in the third sentence, standing alone as it now does, is vague and difficult to enforce. The proposed amendment, we believe, would help the states, and at the same time stay within the intent of Congress.

Overall, we believe that the states have been responding with fairness and common sense to the provisions of the STAA of 1982 calling for the nation-wide usage of longer and wider truck and truck combinations. This is not to say that there have not been problems, some of which are difficult to resolve. In particular, the 48-foot semitrailer can cause severe problems with respect to ramp and cornering movements. Our Highway Subcommittee on Design has been wrestling with the problems centering on 48-foot and even longer semitrailers, and has produced an interim design guide that will help the states to deal with the situation. But necessary corrections will take time, and in some instances may never be practicable. Thus, it can be expected that some routing restrictions will be necessary for certain trucks and trailer combinations, however inconvenient they may be.

Looking nationwide, we find that the motor carrier industry and our member departments are working together to resolve many problem areas. We want and expect that cooperation to continue. While there are currently some divergent viewpoints held by the motor carrier industry and AASHTO, it needs to be remembered that they are limited in number and confined to certain areas. The nation's motor carrier industry is vital to the economic life of our states, and we believe they form an important part of the highway user community. Both AASHTO and our member departments will keep working to resolve motor carrier issues as they arise, and we will continue to offer our cooperation. However, where our professional judgment as highway engineers is involved, we will and must continue to speak out on the facts as we find them to be.

One of the areas where there is now some disagreement between the motor carrier industry and our member departments is over the issue of cost allocation. Mr. Chairman, we have previously submitted testimony to your Committee outlining why we support the FHWA "Final Report on the Federal Highway Cost Allocation Study". For example, our August, 1982 testimony before this Committee by Mr. Clements addressed this issue. We will not further burden the record at this time with the reasons for our support of the FHWA Study, but stand ready to respond to any specific questions you or members of the Committee may have.

Turning now to a third attached Resolution, titled "AASHTO Position on National Truck Taxes", our Policy Committee in October was concerned about then-pending legislative efforts to take action changing the heavy truck taxation provisions of the STAA of 1982. It was the judgment of our Policy Committee that such action should not take place until further information was available, including the results of our AASHTO study on motor carrier taxation and registration issues and the Section 513(g) report by the Department of Transportation. Both of these reports are now available, and have been delivered to Congress.

In October of 1983, our third Resolution concluded with the following final resolve:

> "...AASHTO urges that if changes are made on truck taxes that alternatives be based on an equitable type and weight of the taxed vehicle, and the amount of highway usage for these vehicles, and that the level of funds raised be no less than that authorized in the STAA."

This language was interpreted by some when it was approved last October as a flat-out AASHTO endorsement of a national weight-distance tax. That was not the case. The facts are as follows.

On November 21, 1982, our Policy Committee enacted a Resolution stating as follows:

> "...that a national weight distance tax be considered as a more equitable tax approach with the administration and collection to be structured at the state level with the states being reimbursed for their expenses in administration and collection, provided that no preemption of state laws establishing weight distance or ton mileage taxes occurs because of the establishment of a national weight distance tax."

This November, 1982 Resolution was not a recommendation that a national weight-distance tax be enacted, but only that it be considered. Since 1982 there has indeed been much consideration of a national weight-distance tax, and the matter is thoroughly discussed in both our Steering Committee report, and the Section 513(g) report just forwarded to Congress.

Looking again at our October, 1983 Resolution language as quoted above, it does not specifically identify either a weight-distance tax nor a ton-mileage tax, which by the way are very different in their impact on the motor carrier industry. Rather, it addresses itself to a tax alternative that would be "based on an equitable type and weight of the taxed vehicle, and the amount of highway usage for these vehicles". Such a taxation approach could take several different forms. A prime concern of AASHTO is that regardless of the specific form an alternative heavy truck tax might assume, that it be designed to take into account the weight of the vehicles and their usage of our highways, so that the resultant tax reflects the cost allocation principles that have been established by the FHWA report on cost allocation.

This is not to say that AASHTO may not ultimately recommend a Federal weight-distance tax. Indeed, this is one of the recommendations of the Steering Committee chaired by Secretary Bridwell, a recommendation that is now undergoing review by our member departments.

One other prime concern held by the Association is also addressed in the attached third Resolution, the final phrase of which states:

> "...that the level of funds raised (by any alternative) be no less than that authorized in the STAA."

We believe that whatever alternatives might be considered to the heavy truck taxation provisions of the STAA of 1982, those alternatives ought to be revenue neutral to the Federal-Aid Highway program so that the ability to fund the authorization levels of the STAA is not adversely affected. It appears that there is general agreement among all parties to this concept, and we hope it will be maintained.

Returning again to our Steering Committee and its study of motor carrier taxation and registration issues, we engaged System Design Concepts, Inc. (Sydec) and Harold A. Hovey as consultants, and their Final Report was submitted December 31, 1983. Last Friday, January 27, the Final Report was received by our Executive Committee, and the consultant discharged. In a separate motion the Final Report was accepted, without the inclusion of the two proposed Resolutions contained in its preamble, and as accepted it can now be considered an AASHTO document. At their request, we have provided members of your Committee staff with copies of the Final Report, and we have also provided copies to members of this Committee. For the record, a further copy is attached to this testimony.

The Steering Committee's two proposed Resolutions have not yet completed their necessary review process within AASHTO, which I will discuss later. What is important to emphasize here is that the Final Report of the Steering Committee analyzes taxation and registration issues facing our heavy trucks in greater depth than has ever been done before, and as such the information it contains should be of value to anyone dealing with the issues involved, whether at the federal or state level, within the motor carrier industry, or elsewhere.

There were two major reasons the AASHTO Policy Committee initiated this study at its meeting in May, 1983. First, the AASHTO Standing Committee on Planning had identified a number of specific trucking issues in its investigation of the impact of the STAA of 1982 on state transportation programs and revenues. Second, other public and private sector groups were developing alternatives to the heavy vehicle use tax provisions of the STAA of 1982, and proposals to achieve uniformity in state motor carrier taxation and registration procedures that could impact adversely on the states. Faced with this situation, AASHTO could either 1) take a passive role and simply react to and comment upon others' proposals, or 2) undertake its traditional active role where important public policy issues involving transportation are concerned by performing our own professional analyses and formulating policy positions. We chose the latter.

AASHTO's study of these issues was guided by a Steering Committee, which as I have noted was chaired by Lowell K. Bridwell, Secretary of Transportation of Maryland. Serving on the Steering Committee with Mr. Bridwell were the chief administrative officers of 12 states, three states from each of AASHTO's four regions. They were George N. Campbell, Maine; John A. Clements, New Hampshire; Thomas D. Larson, Pennsylvania; Henry Gray, Arkansas; Paul N. Pappas, Florida; Thomas D. Moreland, Georgia; Warren B. Dunham, Iowa; Richard A. Ward, Oklahoma; Lowell B. Jackson, Wisconsin; Leo Trombatore, California; Joseph Dolan, Colorado; and Fred D. Miller, Oregon.

In performing the study, the Steering Committee and its consultant engaged in extensive consultations with shippers and carriers. In addition, surveys concerning the experience of individual states in motor carrier taxation and registration procedures were undertaken. In view of the diversity of state agencies involved in motor carrier taxation and registration, input from the various groups at the state level was an important aspect of the study.

In this connection, the National Governors' Association, acting as an umbrella group, pulled together at the national level numerous state interest groups involved in the issues. These groups included the National Association of State Budget Officers, the National Conference of State Legislatures, the National Association of Governors' Highway Safety Representatives, the National Association of Regulatory Utility Commissioners, the Federation of Tax Administrators, and the American Association of Motor Vehicle Administrators, and representatives from these groups were added to our Steering Committee as ex officio members. The NGA effort is chaired by Secretary of Transportation Andrew Fogarty, of Virginia. Separate from the NGA initiative, each state was encouraged to develop a working group which would pull together the numerous agencies at their own state level.

The AASHTO Steering Committee, as noted, completed its work on December 31, 1983, and the Final Report provides detailed documentation of all the issues involved and documentation of the careful process followed by the Steering Committee and its consultant in considering the various proposals that have been put forward by interested agencies or associations, developing new alternatives based on this review, selecting a limited number of important options, and evaluating all important features of them.

Independently of but in coordination with the Steering Committee, the NGA group developed a Statement of Principles dealing with many of the same issues contained in the Steering Committee's Final Report. The Statement of Principles, with some amendments, was adopted January 20, 1984 by the Staff Advisory Council to the NGA's Committee on Transportation, Commerce and Communications. A copy of the Statement of Principles is attached, and it is compatible with the findings of the Final Report.

## Study Recommendations

Based upon the analysis performed in the study, the Steering Committee has put forward recommendations in two areas: amendments to the heavy vehicle use tax (HVUT) enacted by the STAA of 1982, and a means to achieve uniformity in state motor carrier taxation and registration procedures. These recommendations are contained in the Final Report that was accepted by the AASHTO Executive Committee on January 27, and will be discussed by the AASHTO Policy Committee at its upcoming February 24th meeting.

## HVUT Alternatives Selected for Detailed Study

Specifically, the Steering Committee examined 22 HVUT alternatives. As a result of this examination, the list was narrowed to three options which represented the broad range of alternatives put forward. These three options were then further analyzed in terms of their relative equity, administrative efficiency, and ease of compliance and enforcement, and are as follows:

(1) A flat rate diesel differential to replace the HVUT. For this alternative, a differential of 7.5¢ per gallon is estimated as the amount required to match the revenue which would be lost if the HVUT is eliminated on July 1, 1984. Under this alternative, the diesel fuel tax at the pump would be 16.5¢ per gallon, with rebates of the 7.5¢ per gallon differential being made to all vehicles weighing under 10,000 pounds.

(2) A weight-distance tax which substitutes only for the existing HVUT. This alternative was designed to yield the same overall 1983-1988 fiscal year revenues as the STAA of 1982, and to equal revenue to cost responsibility among truck classes insofar as possible, based on the Federal Highway Cost Allocation Study (FHCAS).

(3) A higher weight-distance tax which substitutes not only for the HVUT but also for other federal highway excise taxes on truck sales and tires. Like alternative (2), this alternative was designed to yield the same overall 1983-1988 fiscal year revenues as the STAA of 1982, and to equal FHCAS revenue to cost responsibility.

Both of the federal weight-distance alternatives were examined in terms of: (1) the states collecting the tax under federal guidelines, with administrative costs being covered by a fixed percentage of revenues collected, and (2) the federal government collecting the tax.

## Analysis of HVUT Alternatives

All three HVUT options were compared to a base case which retains the tax structure contained in the STAA of 1982, and which yields revenues based on the most recent Treasury forecasts, or approximately $74 billion over the life of the bill.

In its analysis of the HVUT alternatives, the Steering Committee determined that the flat diesel differential reduces equity among vehicle classes more than any other alternative. It thus moves away from the findings of the FHCAS, which AASHTO endorses, and would significantly shift the cost responsibility of the heaviest trucks to other users, particularly light and medium trucks. In addition, the flat rate diesel differential:

- Creates greater incentive for evasion of taxes by use of heating oil and other means of avoiding the tax.

- Increases government's dependence on the fuel tax which may become a problem in the future as alternative fuels come into wider use.

- Creates inequities for special types of vehicles which have low fuel economy (e.g., trash compacting vehicles).

- Requires filing of claims for refunds for all diesel passenger cars and other vehicles under 10,000 pounds, through deductions on federal income tax filings, thus causing substantial delays in rebates of taxes paid.

Parenthetically, Mr. Chairman, I would note that in an analysis of the rebate situation made over the past few days, it appears that by 1985 more people would be claiming refunds than would be paying a diesel differential tax. It appears that in 1985 there will be about 2.4 million trucks weighing more than 10,000 pounds, compared to 1.1 million weighing under that weight and 2.5 million diesel automobiles.

In its analysis the Steering Committee also determined that the weight-distance tax, substituting for the HVUT and excise taxes of the STAA of 1982, provides the greatest improvement in equity among and within vehicle classes than any other alternative considered. Moreover, this particular option eliminates the truck sales tax, which the Final Report states has the greatest impact on small operators' cash flow, which is poorly related to cost responsibility and which has relatively high administrative costs since it was changed to a retail tax in the STAA of 1982. This option would also reduce the initial lump sum, front-end burden of truck sales and tire taxes.

The Steering Committee then analyzed the issue of the best method to collect a weight-distance tax--at either the state or federal level. It determined that collection at the state level was clearly preferable for the following reasons:

- o Evasion rates could be dramatically reduced by comparison with federal administration.

- o Could lead to elimination of most retaliatory taxes.

- Provide states with the opportunity to enact piggyback weight-distance tax increments with their own tax rates at very little added administrative cost.

- Would encourage states to achieve greater equity in their tax structure, both among vehicle classes and within vehicle classes.

- Such a program could be integrated with other state truck tax programs, providing improved administrative efficiency and greater effectiveness in enforcement.

- Such a program would provide an opportunity to eliminate carrier fuel use taxes by adding an incentive for states to do so.

- Most of the available expertise and experience already exists within state agencies.

In terms of the net sum of annual administrative costs, compliance costs and evasion costs, the Final Report notes that a federal weight-distance tax administered by the states, is the only proposed alternative which would reduce the total of these annual costs when compared to the existing heavy vehicle use tax (HVUT).

Based upon the relative merits of the weight-distance option that substitutes for the HVUT and excise taxes of the STAA of 1982, the Steering Committee believed that this option meets the tests of relative equity, administrative efficiency, and ease of compliance and enforcement.

## Uniform State Procedures

The AASHTO Steering Committee also examined the issue of uniformity in state motor carrier taxation and registration procedures. In this connection, AASHTO recognizes that the existing multiplicity of permits required for interstate operations of trucks and the inconsistency and complexity of truck fee structures and rates creates an unreasonable burden on motor carriers, and creates considerable confusion and delay in the consistent, speedy collection of state fees. Also, charges and fee structures and amounts charged by individual states often create reciprocity in collection problems in other states. One of the key recommendations of the U.S. DOT Section 19 report is that the Congress enact legislation creating a working group to develop an acceptable approach to national uniform truck regulation.

As you know, Mr. Chairman, U.S. DOT Secretary Dole has had legislation introduced that would authorize her to establish a working group of state representatives to advise within 12 months on regulations to be promulgated dealing with uniform state registration and taxation procedures.

This bill would also allow the Secretary to reject summarily the working group's recommendations, and unilaterally promulgate federal regulations, preempting state authority in this area. This could set a precedent for potential future actions in other areas of state taxation.

In its examination and analysis of the uniformity issue, the AASHTO Steering Committee voluntarily took the initiative in bringing efficiency and uniformity to the state taxation system, while attempting to preserve states' rights to establish their own structure and the rates of motor carrier taxation. Following its lengthy analysis of the current situation, it specifically recommends as a solution to the problem the establishment of a National Motor Carrier Tax Service Bureau created by the states and assisted by the federal government. This Service Bureau would be a means to achieve uniformity in state tax procedures.

The Service Bureau would provide: data collection and maintenance services; administration of a multi-state agreement, including transfer of taxes due between states; enforcement of the agreement; and auditing services as needed. The approach would be designed to result in single licenses for truckers, base-state registration and reporting of mileage, and fuel use and base-state tax and registration payments. While state membership in the Service Bureau system would preferably be voluntary, it is likely that some form of federal legislative mandate would be needed to gain total participation and compliance.

Under the Steering Committee's recommendation, the state tax structure of all participating states would have to meet the following requirements:

o No truck would be required to display more than one license plate.

o A maximum of two cab cards would be required--one for base-state registration and one for state economic regulation--except for special situations such as oversized or hazardous cargoes.

- Only one form and payment would be required to be submitted for registration valid in all participating states.

- Only one form and payment (probably quarterly) would be required for carrier fuel use reporting and taxation, covering all participating states.

- States would be encouraged to adopt "one stop shopping" for all highway use tax payments and travel authority.

The Service Bureau, however, would in no way affect the states' ability to determine the structure or rates of taxes to be paid.

The functions of the Service Bureau would vary from a minimum required as a part of each state's participation in the agreement to a wide range of additional services that might be purchased by states on a voluntary negotiated basis. The minimum functions would include:

- Exchange of data from required reports of truckers and from all field data relating to enforcement.

- Maintenance of a data processing and clearinghouse system.

- Administration of the multi-state agreement.

- o Development and adoption of standards for uniform administration and enforcement, including auditing and other items necessary to minimize tax evasion.

- o Enforcement of standards under the agreement.

In developing the Service Bureau concept as a means to achieve uniformity in state taxation procedures, the Steering Commitee determined that current state practices result in multiple state registration and tax reporting requirements which cause higher administrative costs for states and higher compliance costs for motor carriers than necessary. It was also found that some groups are seeking to use this situation to eliminate certain state taxes, while others are seeking to use it to give unprecedented authority over state taxes and registration procedures to the federal government. And, finally, the Steering Committee found that the states have demonstrated in the International Registration Plan, that multi-state arrangements, which allocate tax revenues by mileage in each state, are feasible and reduce paperwork and reporting burdens for motor carriers without jeopardizing state revenues.

Mr. Chairman, on January 27 the AASHTO Executive Committee considered two Resolutions passed by the Steering Committee, copies of which are found in the Final Report. The Executive Committee amended the Resolutions, and copies of them as amended are attached. The Final Report, the Steering Committee's Resolutions, and the two amended Resolutions will now be considered by our Policy Committee on February 24, 1984, and it will develop our AASHTO policy, which will require a two-thirds affirmative vote of the states for approval.

Briefly, the two attached Resolutions to be considered by our Policy Committee contain the following provisions:

HVUT Recommendations:

(1) No truck tax should be substituted for the current heavy vehicle use tax unless such tax raises at least equal revenues for highway purposes, provides at least equal equity, and is administratively efficient.

(2) A federal weight-distance tax should be considered as a replacement for the heavy vehicle use tax and all other federal highway user charges except fuel taxes. This tax should be designed to yield at least equal revenues for highway purposes and to provide equity among users.

(3) Such a tax should be administered by state governments with federal reimbursement for the costs involved.

State Procedure Uniformity:

With respect to the issue of uniformity of state regulation and taxation of motor carriers, the Executive Committee resolved as follows:

(1) There should be no federal restrictions on the ability of the states to enact and set the rates of major highway use taxes based upon registration, fuel purchase and use, and the weight of the vehicle and distance traveled.

(2) That uniformity be achieved at a minimum for registration and fuel use reporting through a system premised on base state reporting of mileage and fuel purchases by state. This system would cover both inter- and intra-state trucks and encourage a single institutional contact and a single form for reporting in each state. In addition, efforts to achieve uniformity specifically should exclude any proposal that would limit the states' ability to determine type and rate of taxation, such type and rate of taxation being equally applicable to interstate and intrastate trucking. There should be an institutional mechanism to administer and enforce the uniform system. This institutional mechanism would have certain basic functions including data processing and central storage and retrieval, exchange of data from required reports of motor carriers and from all field data relating to enforcement, administration of a combined IRP and fuel tax, and establishment of standards for auditing and other items necessary to minimize tax evasion. The institutional mechanism would also perform additional functions on a voluntary negotiated basis as the states find necessary.

(3) A task force should be convened by the states to consider and recommend mechanisms by which the states can implement the concepts stated above. This task force should involve representatives of AASHTO, the NGA and other interested organizations of state officials including regulatory commissioners, tax administrators, vehicle administrators and legislators.

(4) The institutional mechanism adopted by the states should not involve perpetual subsidies from any state to any other state.

(5) AASHTO supports federal legislation to ensure that the policies listed above are, within a reasonable time, adopted by all the states.

(6) These actions represent positive steps on the part of the states to address the fundamental issues of uniformity in truck taxation and registration. Further, these actions provide the necessary framework for resolving issues without the necessity of federal preemptive legislation.

I would again point out that neither the Steering Committee nor the attached Executive Committee Resolutions constitute AASHTO policy. That policy will be developed on February 24, 1984 by the Policy Committee.

Mr. Chairman, we appreciate this opportunity to provide you and your Committee with our observations and recommendations. As always, we will be pleased to be of further assistance wherever possible.

AMERICAN ASSOCIATION OF STATE HIGHWAY
AND TRANSPORTATION OFFICIALS

WILLIAM A. ORDWAY President
Director
Arizona Department
of Transportation

FRANCIS B. FRANCOIS
Executive Director

January 20, 1984

The Honorable Robert Stafford, Chairman
Committee on Environment and Public Works
Room SD-410
Washington, D. C. 20510

Dear Senator Stafford:

In response to a request from your Committee staff, we have been surveying the state departments of highways and transportation in an effort to determine their capability to utilize funding in the Federal-Aid Highway program during FY 1984 and FY 1985. We are now in a position to respond to that request, and are pleased to provide the information contained in this letter.

Our survey was divided into three parts, and we have now compiled information for all 50 states and the District of Columbia. The three parts of the survey are as follows, and a summary of the responses is provided under each heading.

Part I: Expected Levels of Obligation

Survey Question I:

"Please provide the totals of what you have obligated and are prepared to obligate in the following categories during FY 1984, and an estimate of the totals you are prepared to obligate for FY 1985, assuming: (1) full funding of the authorization levels provided in the STAA of 1982; (2) approval of an ICE and ISCE before March 1, 1984; and (3) adequate state matching funds."

EXECUTIVE OFFICE: 444 N. Capitol Street, N.W., Suite 225 Washington D.C. 20001 Telephone (202) 624-5800

Survey Results (Aggregated):

| Program | FY 1984 (millions) | FY 1985 (millions) |
|---|---|---|
| Interstate Completion | $ 3,647.2 | $ 3,633.6 |
| Interstate 4R | $ 2,412.7 | $ 2,752.1 |
| Interstate Discretionary | $ 1,098.8 | $ 733.2 |
| Interstate Substitute Highway Projects /1 | $ 542.9 | $ 602.0 |
| Primary | $ 2,312.7 | $ 2,437.5 |
| Secondary | $ 637.7 | $ 634.2 |
| Urban | $ 890.4 | $ 863.8 |
| Bridge Rehabilitation | $ 1,534.1 | $ 1,710.9 |
| Bridge Discretionary | $ 369.9 | $ 437.8 |
| Safety | $ 502.5 | $ 352.6 |
| Other | $ 906.7 | $ 798.4 |
| Total | $ 14,630.1 | $ 14,888.1 |

/1 Within the 75% formula portion of this category, not the full 100% authorization.

With respect to the survey results under Part I, it is noted that the Interstate Discretionary and Bridge Discretionary categories both total an amount of funding in FY 1984 and FY 1985 in excess of what is now expected to be available nationally. This reflects the desire of several states to utilize discretionary funding, and indicates the competition that will exist for those funds that do become available. The "Other" category totals in FY 1984 and FY 1985 are also large, but this in part reflects the 85% minimum return funds provided to a number of states under the Surface Transportation Assistance Act (STAA) of 1982.

Part II: Matching Funds

In this part of our survey we endeavored to compile information regarding the ability of the states to provide matching funds for the program levels included for FY 1984 and FY 1985 under Part I.

We had four states report that they expected a problem in providing state matching funds during FY 1984, one of which plans to resolve the problem by resorting to the matching fund waiver provisions of the STAA of 1982, and the other three of which are hopeful that actions can be taken within the state during the year to alleviate their situation. In all, it appears that about $83.2 million in funding is involved with these four states.

One other state indicates it may develop a matching fund problem during the year.

We have also found that in all about ten states are now planning to utilize the matching fund waiver provisions of the STAA of 1982 during FY 1984. Of these ten states, two have calculated that their total demand for funds will exceed the limit set under current law, without passage of the technical correction increase to the STAA of 1982 now pending in HR. 3103 as passed separately by both Houses.

Turning to FY 1985, three states are now indicating they expect a state matching fund problem, and one other state is not certain at this time. With respect to the three states indicating a problem, the total funding involved is about $50.8 million.

In summary, it appears from our survey that nearly all states are in a position to utilize full funding in the Federal-Aid Highway program during both FY 1984 and FY 1985, frequently because of increases in state revenues enacted during 1983. Where problems exist, they can be accommodated in most cases either by utilizing the matching fund waiver provisions of the STAA of 1982, or by actions taken within the state.

Part III: ICE and ISCE

In this part of our survey, we endeavored to determine the impact on the Federal-Aid Highway program resulting from the absence of an approved Interstate Cost Estimate (ICE) and Interstate Substitute Cost Estimate (ISCE). As you are aware, the lack of an approved ICE-ISCE also acts to prevent certain other allocations to the states, including funds under the 85% minimum return provisions of the STAA of 1982. In all, the Federal Highway Administration estimates about $5.4 billion is involved for FY 1984.

Because the current situation is such that no approved ICE-ISCE is apparently possible until about February 1 at the earliest, we surveyed the states to determine the impact resulting from this delay. As is reflected in the table below, not having an approved ICE-ISCE until February 1, 1984 has thus far delayed at least 168 projects, totalling some $786.8 million.

The returns from our survey under Part III are as follows:

Survey Question III-1:

"The earliest an ICE - ISCE bill can be approved is probably late February, 1984, and it is possible it might not be approved until much later in the year. Please estimate the impact on your state resulting from the listed dates for passage of an ICE - ISCE bill, taking into account your total planned highway program for FY 1984:"

1. "Please list the total number of projects you plan for construction during FY 1984, based on your response to Part I:"

Survey Results (Aggregated): 10,890 Projects

Survey Question III-2:

2. "Using the project total of Question III-1 as a basis, please complete the following table:"

Survey Results (Aggregated):

| Assumed Date When ICE and ISCE Become Enacted | Resultant Number of FY 1984 Projects Delayed | Estimated $ Value of Delayed Projects |
|---|---|---|
| February 1, 1984 | 168 | $ 786.8 million |
| March 1, 1984 | 473 | 1,240.4 |
| April 1, 1984 | 494 | 1,727.4 |
| May 1, 1984 | 619 | 2,254.3 |
| June 1, 1984 | 744 | 2,722.3 |
| July 1, 1984 | 879 | 3,017.3 |
| August 1, 1984 | 968 | 3,447.4 |
| September 1, 1984 | 1,039 | 4,167.8 |
| October 1, 1984 | 1,152 | 4,284.7 |

Note: Of the 50 member departments reporting to date, three report the lack of an ICE-ISCE through October 1, 1984 would delay no projects. In one of these three departments, delays will be avoided by using the A.C.I. procedure.

It should also be observed that some states have been using the A. C. I. process already in FY 1984, which has somewhat reduced the overall impact of the delay in obtaining an approved ICE-ISCE.

Survey Question III-3:

3. "Please describe briefly how any delayed projects will affect your overall program, and significant related effects upon your state."

Survey Results:

Most of the member departments responding to the survey provided comments regarding the effect of the delay in ICE-ISCE approval on their state. Typical of those comments are the following from selected states:

Colorado

"1. Delayed Projects will cause rescheduling our State Construction Plan.
2. Will result in some construction starting in winter months - causing delays because of bad weather.
3. Safety of traveling public effect for a longer period of time.
4. States Economic Recovery and Unemployment affected."

**Florida**

"It will take a major effort in Florida to complete our Interstate System by 1990. Delays in Interstate apportionments will ultimately affect our construction schedule as shown above. Furthermore, we have already been impacted as a result of our inability to award consultant contracts for Interstate design and our inability to acquire right-of-way parcels on Interstate projects. Design and right-of-way delays will, of course, result in future construction delays. Please note also in the above numbers that although we plan to obligate $217.7M in federal Interstate funds this fiscal year, the projected delay shown is only $187M because during the period Oct. 1 to Dec. 31, 1983, Florida Interstate projects were financed with state (ACI) funds. These state funds are now exhausted and we have no other sources for Interstate commitments until the ICE is adopted."

**Georgia**

"The major impact on Georgia's Interstate Construction Work Program due to the delay in the Interstate Cost Estimate approval is not being able to place the projects under construction. This could result in missing a complete construction season and more important, not being able to proceed with additional phases of on-going work which is being completed under traffic. This delay causes a hardship and in many cases creates a safety hazard to the motoring public."

**Maryland**

"Projects would have to be temporarily shelved with the resultant probability of increased construction costs due to inflation. Our total construction program would be adversely effected and the public's interest would not be best served."

**Minnesota**

"A delay beyond February 1, 1984 for the ICE approval could seriously jeopardize our 1984 program due to Minnesota's short construction season and construction staging critical to restoring traffic movement to those sections in various phases of construction. We have already delayed lettings of Interstate projects totaling $76 million which equates to over 3,000 jobs in the construction industry. A further delay could move the bulk of our Interstate program to 1985."

**Missouri**

"1. Will delay additional stages of construction to complete Route I-255 Bridge over Mississippi River at St. Louis.
2. Will delay 2 paving projects which will complete Route I-435 in Kansas City from Route I-70 North and West to Route I-29.
3. Will delay paving of Route I-435 from Kansas State Line North to Route I-29 near Kansas City.
4. Will delay construction staging on Route I-435 along Route I-29 in Platte County. I-435 serves Mid-Continent International Airport at Kansas City.
5. Concern with the overload on the existing freeways due to inability to complete section mentioned above that would provide needed relief."

**New Jersey**

"Delayed construction projects will have a direct effect on our ability to complete the Interstate system and implement other needed improvements, perhaps by as much as a full construction season, depending on the length of the delay. In addition to the listed projects, several critical engineering and right of way projects will be delayed because of insufficient funds. These have longer-term implications."

North Carolina

"1. Critically needed highway improvements will be delayed; thus, increased traffic accidents, increased traffic congestion, increased fuel consumption and lower level of service are just some of the impacts. Even with the level of funding authorized by the STAA of 1982, it will take at least 6 years before sufficient funding is available to let the contracts required to complete the portion of the Interstate System in North Carolina assuming prices remain at current level.

2. Delays in funding also result in tremendous operational problems within our Department (scheduling, manpower, etc. to balance program with available funding.)

3. Adversely impacts on construction industry and will result in higher construction prices.

4. In summary, delays increase costs, injuries, and deaths!"

North Dakota

"North Dakota's climatic conditions limit the construction season length. Lettings are scheduled during winter and early spring. This allows contractors to schedule work and mobilize to begin work as soon as weather conditions permits. Significant delays in contract lettings could result in work not being completed during the desired construction season. Carryover into next construction season creates a "Peak and Valley" work load for contractors."

Pennsylvania

"The delay may cost Pennsylvania the completion of its Interstate System. Eight major projects (over $1.5 billion) had been stalled during most of the seventies. Controversies have now been resolved through very fragile arrangements with local governments. Any disruption in the fragile arrangements may irreversibly terminate progress toward completion."

Rhode Island

"Desperately need Interstate Substitution monies in order to keep program going smoothly!"

Tennessee

"Due to stringent 1st quarter obligational controls, TDOT has to effectively plan ahead to identify projects which will be advanced to utilize available funds. Our original plans called for the 1st quarter obligation of approximately $20 million of Interstate and Substitute funds. Any further delay of Interstate apportionments will also cause additional deterioration of Interstate pavements which were scheduled for final paving this spring."

Texas

"Delayed projects will eventually go to contract, however the cost will probably be higher and the usual unemployment situation will exist in the contract community."

Utah

"All of the listed projects are elements of stage construction on Utah's uncompleted segments of the Interstate System. Delays in letting these projects could set back the opening to traffic dates accordingly. Funding delays at this time could affect funding utilization next year and beyond depending on extent of this year's delay which would effect 50 miles of the 250 miles yet to be completed."

Washington

"Washington State is proceeding on a "fast-track" schedule to complete the Interstate system in accordance with Congressional intent. This state is proceeding to use "short-term" ACI until apportionments of FAI are available with the assumption that those apportionments will be available no later than mid-April. Delay beyond April will result in major delays in Washington's Interstate completion program and could cause significant cash-flow problems to the state."

West Virginia

"Will delay completion of W.Va. Turnpike as the last remaining project is included in the above."

Beyond these specific responses, we are providing below comments received from several other states. References to state names and specific projects have been deleted, with the deletions being indicated by bracketed ( ) words. The following responses are grouped by the four AASHTO Regions, which are comprised as follows:

Region I

Connecticut
Delaware
Maine
Maryland
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont
District of Col.
Puerto Rico

Region II

Alabama
Arkansas
Florida
Georgia
Kentucky
Louisiana
Mississippi
North Carolina
South Carolina
Tennessee
Virginia
West Virginia

Region III

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
Ohio
Oklahoma
Wisconsin

Region IV

Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
North Dakota
Oregon
South Dakota
Texas
Utah
Washington
Wyoming

## Region I Responses

"(Our state) plans to utilize substantial transfers from Interstate Construction to fund Federal Aid Primary, Secondary and Urban projects during FY 1985. Substantial delay in delivery of the FY 1984 Interstate Construction apportionment will certainly place an imbalance in our FY 1984 obligation schedule which may, in the end, drastically reduce our obligation flexibility for some Non-interstate projects in FY 1985. Furthermore, the projects noted above represent a substantial step toward completion of three section of (our) Interstate system."

"When a significant number of projects are delayed, as happens when expected funding for major programs is not made available when required, the overall program is adversely affected. Some of the adverse affects are: 1) The Department is forced to enter into advance construction authorization agreements with FHWA which require having larger amounts of State funds available to front-end finance the missing Federal funds; 2) The schedules of projects that have been delayed are difficult to re-establish because the

Department doesn't know when to expect funds. When preliminary engineering and rights-of-way phases cannot be started on schedule, it causes delays in the subsequent advertising of construction contracts for these projects in future years and could jeopardize the Department's ability to obligate FHWA funds to the extent allowed in fiscal years 1985 and beyond; and 3) Additionally, when the funds do become available, further delays in starting the desired new phases may be necessary for some of the projects due to the constraints of available manpower."

"Several months of delay in allocating funds is causing a year delay in construction because a whole construction season is lost."

"The Interstate system is complete in (our state) and we are utilizing our minimum one half of one percent interstate apportionments on Primary, Secondary and Urban System Projects. We have one contract of a large primary project consistent on receiving our interstate apportionment. Any long delay in receiving interstate funds after April 1, 1984, could result in delaying the opening of a major primary project for an additional construction season."

## Region II Responses

"Any delay in the approval of the ICE past April 1, 1984 would seriously impair progress toward completing (Interstate Routes) in this State."

"Great effect on cash position, due to inability to convert ACI projects. $96.4 million would be required to convert all existing project. $11.8 million Federal reimbursements now being deferred, increasing approximately 2 million per month."

## Region III Responses

"1. We will not obligate projects to the level of the current obligation limitation.
2. Difficult to plan const. staffing.
3. With short construction season, a delay of 3 to 5 months means projects may be delayed a full construction season.
4. Will severely impact the construction industry.
5. Difficult to coordinate final stages of projects where initial stages are under contract."

"Projects will be delayed and costs will increase due to inflation and larger lettings. Delays may also result in state matching fund problems due to cash flow."

"(We are) using ACI to keep program moving. A delay past April 1 will mean a loss of the whole construction season."

"Continued delay of apportionment of Interstate and Interstate Transfer funding prevents proportional distribution of advertisements for construction bids. This will result in higher size of bid lettings when funds are released, which from experience, we can expect that project by project bids will also be higher. Delays beyond April 1 will especially impede completion of many projects during the upcoming construction season."

"The State's entire resurfacing program is being federally funded due to the shortage of state funds. The minimum allocation funds are being used for this resurfacing program; hence, any delay in receiving this apportionment significantly affects the State's resurfacing program for FY 84."

"Delay beyond March will mean that the last segment of Interstate in (our state), due to be paved in 1984, probably cannot be completed prior to winter shutdown.

Interstate substitution projects in (one area) scheduled for 1984 are on hold. This includes P.E. and Right-of-Way acquisition which will have a continuing effect beyond 1984.

In both cases, jobs and related economic benefits will be postponed as well as the availability of the improved transportation facility."

"Delays certain jobs an entire construction season along with economic impacts such as job creation, material purchase and flow of dollars into local economies. Stalls the accomplishment of FY 84 published program until FY 85 and causes cash flow to be concentrated on a "shortened" season by delaying beginning dates several months. Promotes uncertainties with regard to scheduling workloads for both contractors and state highway departments."

## Region IV Responses

"The delayed projects will at a minimum compress our construction season causing resource management problems, manpower forecasting problems and general disruption of planning and programming processes. Prolonged delays will severely hurt (our) economy through a lag in the construction industry and its related businesses. The delays also affect the highway users' benefits as projects are set back. If a construction season is lost then the impact is of greater consequence as benefits and activities are delayed for a year at least."

"Delays will cause (us) to loose a construction season and this will affect our maintenance program in that these roadways sections will have to be maintained for a longer period of time."

"(We have) a large backlog of highway needs which further delays in this funding will increase. Needed projects will be held up. Their continued use by traffic at the expense of safety and capacity will be required. Delays in funding that comprises 22% of our total program will have adverse impact upon the construction industry at the beginning of the construction season. Ultimately, this could raise contract prices on the delayed projects by shortening the available construction season."

"(Our states) climatic conditions limit the construction season length. Lettings are scheduled during winter and early spring. This allows contractors to schedule work and mobilize to begin work as soon as weather conditions permits. Significant delays in contract lettings could result in work not being completed during the desired construction season. Carryover into next construction season creates a "Peak and Valley" work load for contractors."

"(We are) currently planning to let to contract in the spring of 1984 the remaining projects to complete the last major gap in our Interstate System. This 14 mile gap ... is estimated to cost $43.7 million. The majority of the new FY 85 Interstate apportionment is planned to be utilized on this gap section and we plan to request Interstate Discretionary funds to finance the remaining cost. Delay on passage of the ICE and ISCE will delay letting of this vital Interstate gap section."

"We would have to program Primary funds for projects on our designated interstate system, starting in January, 1984. If the subject interstate funds are delayed until approximately the middle of 1984, we will have exhausted all of our available interstate and primary funding to maintain our anticipated bid schedule."

"(We) will not be adversely affected if the ICE and ISCE are approved by May 1, 1984 and the FY84 allocations are available. After that, (we) would be forced to delay key primary-eligible projects to be funded with "85% money". From May forward, there would be increasing negative impacts on our program as the result of delays to high priority projects."

Summary

On the basis of the information developed in our survey, it appears that the states are in a position to essentially fully utilize the funding provided to the Federal-Aid Highway program by the STAA of 1982. The immediate problem is approval of an ICE-ISCE for FY 1984. There have already been significant delays in getting projects underway because an approved ICE-ISCE has not been available, which have had adverse impacts on our member departments' ability to meet their highway program schedules, caused an unusually low rate of obligation thus far in FY 1984, and delayed the creation of a considerable number of jobs in the construction industry. The longer the approval of an ICE-ISCE is delayed the worse the situation will become, as the information provided under Part III makes clear.

We are hopeful that the Congress will quickly approve an ICE-ISCE upon its return January 23, 1984. Beyond that, noting that nearly one-fourth of this fiscal year has passed and that the start of FY 1985 is not far away, it would appear desirable to do everything possible at this time to assure that the same situation does not result six months from now on July 1, when the Federal Highway Administration is charged with providing advance notice to the states of their estimated apportionments for FY 1985, which are scheduled to be released October 1. An important factor in having an effective, well planned Federal-Aid Highway program for the nation is the assurance of continuity in funding, so that state budgeting and programming efforts can proceed in an orderly manner, and to enable the construction industry to make timely major investment decisions that will assure both quality work and competitive prices.

If we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

Frank Francois

Francis B. Francois
Executive Director

# AASHTO POSITION ON THE OPERATION OF WIDER AND TANDEM TRUCKS ON SEGMENTS OF INTERSTATE ROUTES WHICH CANNOT SAFELY ACCOMMODATE SUCH CONFIGURATIONS

Recommended by the Northeastern Association of
State Highway & Transportation Officials

Approved by AASHTO Policy Committee
on October 2, 1983

WHEREAS, Section 411 of the Surface Transportation Assistance Act of 1982 prohibits any state from establishing, maintaining or enforcing any state law which would prohibit the operation of tractor-semitrailer-trailer combinations on any segment of the National System of Interstate and Defense Highways; and

WHEREAS, Public Law 98-17 amended the STAA to add Section 416 which requires all states except Hawaii to establish a vehicle width limitation of 102 inches on the Interstate System; and

WHEREAS, various sections and segments of the Interstate System, located especially in the Northeast, are made up of pre-Interstate Era roadways, many dating back to the 1930's, which have been linked together for purposes of route continuity and designated as Interstate highways; and

WHEREAS, the various segments of Interstate highways so designated, in many instances are inadequate by today's Interstate construction standards, having narrow lane widths, substandard curve radii, inadequate overhead clearances, short ramps and accceleration lanes, inadequate sight distances, excessive grades, and a complete lack of shoulders and service roads; and

WHEREAS, the various states are entrusted with the responsibility for assuring safety on the highways within their respective jurisdictions; and

WHEREAS, the various segments of Interstate highways so designated are not capable of safely accommodating the wider trucks and tractor-semitrailer-trailer combinations which the law requires the states to permit to operate; and

WHEREAS, Sections 411 and 416 of the Surface Transportation Assistance Act of 1982 as amended are unnecessarily rigid, and do not specifically allow the Secretary of Transportation to consider safety aspects or considerations in administering the provisions of the law relating to the operation of 102-inch wide and tractor-semitrailer-trailer trucks on all segments of the National System of Interstate and Defense Highways; and

WHEREAS, the Secretary of Transportation must have the discretion to allow the states to restrict the operation of 102-inch wide and tractor-semitrailer-trailer combinations on the Interstate System where it can be demonstrated that they cannot be safely accommodated;

NOW THEREFORE BE IT RESOLVED, that the member departments of AASHTO recommend and encourage Congress to support and enact an amendment to the STAA of 1982 which specifically gives the Secretary of Transportation the discretionary authority to allow the states to establish, maintain and enforce state laws which would limit the operation of 102-inch wide and tractor-semitrailer-trailer combinations to those segments of Interstate System highways that are capable of safely accommodating such equipment; and

BE IT FURTHER RESOLVED, that the member departments of AASHTO express their full support for the enactment of a suitable amendment which would give the Secretary of Transportation the needed flexiblity to administer the law in a safe manner; and

BE IT FURTHER RESOLVED, that copies of this resolution be sent to appropriate officials of the U.S. Department of Transportation and the U.S. Congress.

# AASHTO Position on Continued Use of Semi-Trailers
# in Use Prior to December 1, 1982

Recommended by the Northeastern Association of State Highway and
Transportation Officials

Approved by AASHTO Policy Committee
on October 2, 1983

WHEREAS, the member departments of AASHTO recognize the importance of Interstate commerce and the safe and efficient movement of goods to the national economy and the economy of the individual States; and

WHEREAS, they are responsible for providing highway systems safe for the travelling public, both for the movement of people and goods; and

WHEREAS, the geometry of the highway systems has been designed over a period of years to then current AASHTO standards; prior to 1966, C-50 with overall length of 50 feet, and after 1966, WB-50 with overall length of 55 feet; and

WHEREAS, longer vehicles, depending on axle spacing, may have greater offtracking paths causing encroachment onto the opposing traffic lanes or the running over of curbs and sidewalks at intersection turns; and

WHEREAS, sufficient funds for widening of the many existing intersections to upgraded standards to accommodate increased truck sizes will not be available in the foreseeable future; and

WHEREAS, several states have controlled vehicle size by maximum allowable overall length, not having a specified maximum semitrailer/trailer length on December 1, 1982; and

WHEREAS, the 1982 STAA, Section 411(b) prohibits any State from establishing, maintaining or enforcing any State law which imposes an overall length limitation:

NOW THEREFORE BE IT RESOLVED, that the member departments of AASHTO recommend and encourage Congress to clarify Section 411(b) of the 1982 STAA by adding at the end of the third sentence of that section the words, "within the then allowable State maximum overall length limits"; and

BE IT FURTHER RESOLVED, that AASHTO member departments express their full support of this recommended clarification, in the interest of highway safety; and

BE IT FURTHER RESOLVED, that copies of this resolution be sent to appropriate officials in the U.S. Department of Transportation and to the U.S. Congress.

# AASHTO POSITION ON NATIONAL TRUCK TAXES

Approved by AASHTO Policy Committee

on October 2, 1983

WHEREAS, the Policy Committee of the American Association of State Highway and Transportation Officials acting at its November 21, 1982 meeting in Orlando, Florida, concurred in the findings of the Federal Highway Cost Allocation Study and recommended that legislation be enacted as soon as possible to assure that the various classes of highway users pay their fair share of the cost; and

WHEREAS, the Policy Committee of AASHTO acting at its November 21, 1982 meeting in Orlando, Florida, also recommended that a national weight distance tax be considered as a more equitable tax approach with the administration and collection to be structured at the state level with the states being reimbursed for their expenses in administration and collection, provided that no preemption of state laws establishing weight distance or ton mileage taxes occurs because of the establishment of a national weight distance tax; and

WHEREAS, the Surface Transportation Assistance Act of 1982 subsequently established a heavy vehicle use tax which is a nationally uniform charge based upon graduated vehicle weight and which moved substantially in the direction of meeting highway cost responsibilities as determined in the Final Report on the Federal Highway Cost Allocation Study; and

WHEREAS, the proposed flat diesel differential use tax moves in the opposite direction of meeting cost responsibility and does not allocate costs consistent with the Federal Cost Allocation Study; and

WHEREAS, Section 513(g) of the Surface Transportation Assistance Act of 1982 directs the Department of Transportation, in consultation with the Department of the Treasury, to study: (1) alternatives to the heavy vehicle use tax, and (2) plans for improving the collection and enforcement of the tax and its alternatives, and further directs that alternative taxes include those based either singly or in combination on vehicle size or configurations, vehicle weight, both registered and actual operating weight, and distance travelled; and

WHEREAS, the AASHTO Steering Committee on Motor Carrier Taxation and Registration Issues is conducting a study on this subject in order to develop positions and recommendations when Congress debates legislation on alternatives to the current heavy vehicle use tax, and federal preemption of state motor carrier taxation and registration policies:

NOW, THEREFORE, the Policy Committee AASHTO, acting at its October 2, 1983 meeting in Denver, Colorado reaffirms its endorsement of the Federal Cost Allocation Study; and

BE IT FURTHER RESOLVED, that AASHTO urges Congress not to take action on alternative truck taxes until such time as AASHTO completes its study and presents recommendations on this vital subject; and

BE IT FURTHER RESOLVED, that AASHTO urges that if changes are made on truck taxes that alternatives be based on an equitable type and weight of the taxed vehicle, and the amount of highway usage for these vehicles, and that the level of funds raised be no less than that authorized in the STAA.

NGA Staff Advisory Committee

## STATE TAXATION AND REGULATION OF INTERSTATE TRUCKING

Statement of Principles

January 20, 1984

Background: Recently, separate legislative proposals have been discussed by the U.S. Department of Transportation (USDOT) and the trucking industry that would invalidate certain state laws and procedures governing the taxation and regulation of interstate truckers. These proposals are directed at simplifying the different forms, reporting dates, administrative and enforcement procedures, and tax structures and rates that have resulted from the separate exercising of powers to regulate and tax by the states. There has been concern that these differences create unnecessary burdens on truckers operating in many different states.

Some trucking interests are supporting legislation that would make it impossible for states to enforce their weight-distance and certain other taxes and would require all states to join the International Registration Plan (IRP). DOT is seeking enactment of legislation that would allow the Secretary of Transportation to take action to override the states through administrative regulation.

## STATEMENT OF PRINCIPLES

The Governors believe that a solution can and should be found that simplifies reporting and administrative burdens on interstate trucking while not denying the states' control over raising revenues needed for highways or their ability to protect those who travel on them. To this end, the Governors endorse the following set of principles.

- Taxation: The freedom to structure state revenue systems is integral to the operation of state government. The Governors oppose all legislation that would, either directly or through unilateral action by an administrative officer, preempt state authority over sources of state revenues, state tax bases, or taxation methods.

- Voluntary State Action: The Govenors urge voluntary action by the states to harmonize and simplify their procedures for economic regulation of interstate commerce, registration, and collection of taxes.

- State/Federal Consultation: The Governors recognize that some form of federal encouragement of this harmonization may prove to be appropriate when all reasonable voluntary efforts have been exhausted. Any federal action should be limited to administrative procedures and must involve consultation with the states.

## DISCUSSION OF PRINCIPLES

Principle of Taxation: The Constitution and current federal legislation assign to the states certain highway responsibilities and liabilities. States must finance the operation and maintenance of Federal-aid highways, fully finance the cost of improvements for 80 percent of the nation's highway network, and are liable for the safety of highway users. The maintenance of authority to adopt, repeal and change the rates, structure and level of taxes is essential to the states' responsibility to support an adequate system of highways.

States tax all users to finance highway maintenance and repair. In the case of heavy trucks, taxes fall into three major revenue sources: 1) registration fees, 2) taxes on fuel consumption, and 3) taxes based either on gross receipts of carriers, or on vehicle axles or weight-distance, to recover highway costs attributable to heavy trucking. In addition, states and local governments levy a variety of taxes and fees on trucking beyond the three mainstays of highway financing. The Governors are willing to consult with local and federal officials to eliminate, where possible, fees with one or more of the following characteristics:

- Taxes that provide revenues not used for highway purposes that impose a heavier burden on trucking than on other forms of transportation or commerce and industry generally.

- Taxes or charges that result in higher burdens on interstate truckers than on intrastate truckers for comparable vehicles, loads, and trips.

- Retaliatory taxes or fees used by one state to attempt to influence the tax policy of another state.

Principles of Voluntary State Action: The Governors urge voluntary action by the states to harmonize administrative procedures for economic regulation of interstate commerce, collection of registration fees and taxes, including, to the extent possible, one-stop operations, uniform definition of weight classes, and common forms and reporting procedures. It is expected that improved administration, including strengthened enforcement and audit procedures which would result from a uniform nationwide system, would produce additional revenue for both the states and the federal government. However, some states which do not now participate in a uniform system fear that at least some short term loss of tax revenue and some increased administrative costs would result should they join a uniform system. These obstacles to participation should be overcome by temporary federal financial incentives, financed out of revenues generated from improved enforcement, to compensate states for:

- demonstrated net revenue losses due to participation in the uniform system; and

- the administrative burden, including the cost of technical requirements, of participating in the uniform system.

In addition, the Governors urge each state to take action in cooperation with other states to achieve the following goals.

- No power unit should be required to display more than one set of license plates, issued by a base jurisdiction.

- Documentation carried in the cab of the vehicle should be minimized.

- Fuel tax forms, calculations, due dates and other procedures should be uniform. Consideration should be given to use a base-state approach, similar to the IRP, to fuel tax collection.

- Only one form and one payment, payable to either a base state or other designated administrative entity, should be required for registration valid in all states.

The Governors reaffirm their encouragement to all states to join the IRP and to work together to develop automated systems support services to reduce the cost and improve the effectiveness of administration of existing fuel taxes and registration fees. Existing systems should be evaluated to determine the feasibility of using them as a basic structure. The Governors oppose any proposal to shift the responsibility for vehicle registration from the states to the federal government.

Principles for State/Federal Consultation: The Governors recognize some form of federal encouragement, in concert with the multi-state effort, may be appropriate to achieve the goals listed above. Any consultative arrangement directed by the federal government should have these characteristics:

- representation by state officials;

- a process that takes into consideration input from the trucking industry; and

- an adequate lead time for development and implementation of proposed remedial measures.

The Governors are concerned that the federal-state consideration of truck taxation and regulation may involve federal action impacting states adversely. The loss of revenues, invalidation of state authority, or unilateral alteration of certain state and local administrative procedures are unacceptable. Other actions which impact states must be considered only as a last resort, and only after consultation with state elected officials, and, if still considered necessary, only in response to specific legislation. The role of federal rulemaking agencies should be to perform their normal function of promulgating rules and regulations to implement this legislation.

NGA Staff Advisory Committee

## FEDERAL TAXES ON HEAVY TRUCKS PROPOSED POLICY

Amend Highway Transportation Policy Statement (F.-2)

Add new Section under item B. Finance

10. THE GOVERNORS COMMEND THE ADMINISTRATION AND CONGRESS FOR SEEKING TO ACHIEVE A MORE EQUITABLE FEDERAL HIGHWAY FINANCING STRUCTURE. FEDERAL HIGHWAY USER FEES SHOULD REFLECT FAIRLY AND WITHOUT DISCRIMINATION THE COSTS OCCASIONED TO THE SYSTEM BY THE VARIOUS VEHICLE CLASSES.

ANY ADDITIONAL CHANGES IN THE FEDERAL TAX STRUCTURE SHOULD MEET THE FOLLOWING CONDITIONS:

A) REVENUE GENERATION - ANY NEW TAX MUST GENERATE AT LEAST AS MUCH REVENUE AS THE TAX OR TAXES BEING REPLACED TO ENSURE FULL FUNDING OF EXISTING FEDERAL HIGHWAY PROGRAM AUTHORIZATIONS.

B) EQUITY - THE DISTRIBUTION OF COST RESPONSIBILITY WITHIN THE FINANCING STRUCTURE SHOULD BE EQUITABLE, BOTH AMONG AND BETWEEN VEHICLE CLASSES.

C) ADMINISTRATIVE EFFICIENCY — WHERE APPROPRIATE, EXISTING STATE ADMINISTRATIVE STRUCTURES SHOULD BE USED TO AVOID DUPLICATION, AND THE FEDERAL GOVERNMENT SHOULD PROVIDE REIMBURSEMENT FOR THE COSTS INVOLVED.

As Approved by the AASHTO Executive
Committee on January 27, 1984, for
Submittal to the AASHTO Policy Committee

## RESOLUTION CONERNING UNIFORMITY OF STATE REGULATION AND TAXATION OF MOTOR CARRIERS

WHEREAS current state practices result in multiple state registration and tax reporting requirements which cause higher administrative costs for states and compliance costs for motor carriers than necessary;

WHEREAS some persons are seeking to use this situation to eliminate certain state taxes and others are seeking to use it to give unprecedented authority over state taxes and registration procedures to the federal government;

WHEREAS the states have demonstrated, in the International Registration Plan, that multi-state arrangements which allocate tax revenues by mileage in each state are feasible and reduce paperwork and reporting burdens for motor carriers without jeopardizing state revenues.

NOW THEREFORE BE IT RESOLVED:

(1) There should be no federal restrictions on the ability of the states to enact and set the rates of major highway use taxes based upon registration, fuel purchase and use, and the weight of the vehicle and distance traveled.

(2) That uniformity be achieved at a minimum for registration and fuel use reporting through a system premised on base state reporting of mileage and fuel purchased by state. This system would cover both inter- and intra-state trucks and encourage a single institutional contact and a single form for reporting in each state. In addition, efforts to achieve uniformity specifically should exclude any proposal that would limit the states' ability to determine type and rate of taxation, such type and rate of taxation being equally applicable to interstate and intrastate trucking. There should be an institutional mechanism to administer and enforce the uniform system. This institutional mechanism would have certain basic functions including data processing and central storage and retrieval, exchange of data from required reports of motor carriers and from all field data relating to enforcement, administration of a combined IRP and fuel tax, and establishment of standards for auditing and other items necessary to minimize tax evasion. The institutional mechanism would also perform additional functions on a voluntary negotiated basis as the states find necessary.

(3) A task force should be convened by the states to consider and recommend mechanisms by which the states can implement the concepts stated above. This task force should involve representatives of AASHTO, the NGA and other interested organizations of state officials including regulatory commissioners, tax administrators, vehicle administrators and legislators.

(4) The institutional mechanism adopted by the states should not involve perpetual subsidies from any state to any other state.

(5) AASHTO supports federal legislation to ensure that the policies listed above are, within a reasonable time, adopted by all the states.

(6) These actions represent positive steps on the part of the states to address the fundamental issues of uniformity in truck taxation and registration. Further, these actions provide the necessary framework for resolving issues without the necessity of federal pre-emptive legislation.

As Approved by the AASHTO Executive
Committee on January 27, 1984, for
submittal to the AASHTO Policy Committee

## RESOLUTION CONCERNING FEDERAL TAXATION OF HEAVY TRUCKS

WHEREAS the Congress in the Surface Transportation Act of 1982 has enacted needed funding for highway purposes and a system of taxation to achieve such funding;

WHEREAS the U.S. Department of Transportation is conducting studies examining alternative methods of taxing heavy trucks;

WHEREAS the Congress is likely to consider alternative taxes for heavy trucks during its session in 1984;

WHEREAS the nation's state highway and transportation officials have a vital interest in truck taxes that adequately finance the nation's highway system and provide equity in paying for that system;

WHEREAS the member departments of AASHTO have conducted a detailed analysis of alternative methods of taxing heavy trucks under the guidance of a Steering Committee, which was concluded on December 31, 1983 with the submittal of a final report that evaluates the fairness and practicality of the alternatives;

WHEREAS the Steering Committee study found that truck taxes based upon a combination of the weight of vehicles and the distance they travel more equitably distribute financing responsibility proportional to costs imposed on the system than other tax alternatives; and

WHEREAS the Steering Committee study found that truck taxes based on a combination of the weight of vehicles and the distance they travel provide greater equity than a tax based on either of these two factors alone;

WHEREAS the existing federal excise taxes on truck sales and tires represent a one time payment in advance of highway use causing a greater burden on motor carriers than taxes which are paid periodically based on use; and

WHEREAS the states generally have in place mechanisms for reporting of the weight of heavy trucks and the miles they travel and procedures and personnel for verification of these data;

NOW THEREFORE BE IT RESOLVED:

(1) No truck tax should be substituted for the current heavy vehicle use tax unless such tax raises at least equal revenues for highway purposes, provides at least equal equity, and is administratively efficient.

(2) A federal weight-distance tax should be considered as a replacement for the heavy vehicle use tax and all other federal highway user charges except fuel taxes. This tax should be designed to yield at least equal revenues for highway purposes and to provide equity among users.

(3) Such a tax should be administered by state governments with federal reimbursement for the costs involved.

STATEMENT OF

BENNETT C. WHITLOCK, JR.

PRESIDENT

AMERICAN TRUCKING ASSOCIATIONS, INC.

ON

SURFACE TRANSPORTATION ASSISTANCE ACT IMPLEMENTATION

BEFORE THE

SENATE COMMITTEE ENVIRONMENT AND PUBLIC WORKS

SUBCOMMITTEE ON TRANSPORTATION

U.S. SENATE

FEBRUARY 1, 1984

## SUMMARY STATEMENT

Good morning, gentlemen. My name is Bennett C. Whitlock, Jr. and I am president of the American Trucking Associations, Inc. (ATA) with offices at 1616 P Street, Northwest, Washington, D.C. ATA is a federation with affiliated associations in every state and the District of Columbia. In the aggregate, ATA represents every type and class of motor carrier operation in the country, both for-hire and private.

With me today are Lana R. batts, Managing Director of ATA's Research and Policy Analysis Division, William E. Johns, Managing Director of ATA's Technical Services Division and John L. Reith, Director of ATA' Economic and Taxation Department.

I have an in-depth statement I wish to submit for the record. In the interest of time, I would like to address the three important issues of this statement.

First, Mr. Chairman, I want to emphasize that the trucking industry is committed to the program of increased federal funding for our nation's highways and bridges as provided by the Surface Transportation Assistant Act (STAA). We are also committed to paying our fair share of highway user taxes to raise the necessary revenues to fund this increased federal program.

However, the special truck tax increases which were approved in the frantic timetable of the special session of the 97th Congress are not only inequitable but are totally unrelated to the industry's use of the highways.

The most onerous part of the truck tax increases is the 700% increase in the so-called heavy vehicle use tax. This tax is scheduled to go from the current maximum of $240 a year to $1,600 on July 1 of this year and ultimately to $1,900 in 1988. This tax has no relationship to use. A vehicle traveling 10,000 miles pays the same tax as a vehicle which travels 110,000 miles per year.

The trucking industry is supporting legislation to repeal the heavy vehicle use tax and replacing this property tax with a 5¢ diesel differential applicable only to trucks. S. 1475 introduced by Senator Malcolm Wallop and co-sponsored by 25 Senators accomplishes this. S. 1475 is also supported by the Coalition for Equitable Truck Taxes. This coalition of which we are a member includes 41 shippers, owner operators, agricultural organizations, and private and for-hire carrier associations. Mr. Chairman, the Coalition sent a letter to each member of Congress last week outlining the Coalition's position. I would like to have that letter entered into the record.

Mr. Chairman, because of the dates of enactment, S. 1475 may not raise sufficient revenues to fund the authorizations provided by the STAA. However, the trucking industry would favor amending S. 1475 in order to raise the $72.021 billion which is needed to pay for the increased federal highway program provided by STAA.

The approach offered by S. 1475 has three distinct advantages:

o Returns user funding of highway projects to a pay-as-you-go basis;

o Establishes a taxing mechanism which is easily administered and provides little opportunity for non-compliance; and

o Establishes tax rates for the trucking industry which are equitable and more affordable.

Mr. Chairman, I would like to say just a few words about the Department of Transportation's report entitled "Alternatives to Tax on Use of Heavy Trucks" which was submitted to the Congress last week.

Because Congress was concerned with the size of the increase in the heavy vehicle use tax and the effect this would have on the recessionary financial condition of the trucking industry, STAA provided for the Department of Transportation to study alternatives to the tax. While we are pleased that the Department did not endorse any of the tax alternatives submitted and leaves it to Congress to determine the most equitable approach, we are concerned that the Department has changed its original estimates of the revenues to be raised by the taxes enacted in December, 1982. Instead of the $72.021 billion as estimated at that time, DOT's new revenue estimates are $73.3 billion and there seems to be a conclusion that any tax alternatives to the heavy vehicle use tax must raise this higher amount to be "revenue neutral."

Mr. Chairman, it is our strong contention that any tax alternatives considered by the Congress should raise the necessary revenue to fund the highway spending as provided by STAA and not provide a windfall to the Highway Trust Fund which is not necessary, particularly when such windfall would be at the expense of the economic well being of a hard pressed trucking industry.

Another important subject contained in STAA is uniform allowable federal vehicle dimensions for the trucking industry. DOT was supposed to have established a designated primary system for longer and wider vehicles by October 6, 1983. Unfortunately, the final designations still have not been approved and DOT indicates this won't be accomplished until April, 1984. In the meantime, the trucking industry is paying the higher fuel, excise, and tire taxes without the benefit of being able to operate the more productive equipment in all sections of the country. And we don't even know when we will be allowed to do so. As a result, millions of dollars of equipment-purchase decisions are being delayed. Consumers are being denied the productivity gains. In short, no one is a winner because of the delay.

We urge Congress, through your committee, to direct the DOT to expedite the procedure for designating the primary highway system where the longer and wider vehicles can be allowed.

Before concluding my short statement, there is one other provision of STAA I would like to mention.

Section 414 of the STAA deals with the matter of splash and spray suppressant devices. It sets time schedules for issuance of standards and for equiping new and in-use vehicles with those devices. These time schedules are totally unrealistic.

The Department of Transportation has already missed the deadline of January, 1984 for issuing standards. Manufacturers and motor carriers are now unable to meet with the compliance schedules in STAA. The subject matter is complex and the schedules need tobe changed.

My written statement details our recommendations.

# # #

## I. INTRODUCTION

The American Trucking Associations, Inc. (ATA) welcomes the opportunity to address the implementation of the Surface Transportation Assistance Act (Public Law 97-424). A one-year review of STAA is appropriate because the timetable during the lame duck session of the 97th Congress simply did not lend itself to a full review by the Congress of all the issues addressed by STAA.

The trucking industry is committed to the program of increased federal funding for our nation's highways and bridges as provided by STAA. We are also committed to paying our fair share of highway user taxes to raise the necessary revenues to fund this increased federal program.

However, the special truck tax increases which were approved in the frantic timetable of the special session of the 97th Congress are not only inequitable but are totally unrelated to the industry's use of the highways.

The most onerous part of the truck tax increases is the 700% increase in the so-called heavy vehicle use tax. This tax is scheduled to go from the current maximum of $240 a year to $1,600 on July 1 of this year and ultimately to $1,900 in 1988. This tax has no relationship to use. A vehicle traveling 10,000 miles pays the same tax as a vehicle which travels 110,000 miles per year.

The trucking industry supports legislation to repeal the heavy vehicle use tax and replace this property tax with a five-cent diesel differential applicable only to trucks. S. 1475 introduced by Senator Malcolm Wallop and co-sponsored by 25 Senators accomplishes this. S. 1475 is also supported by the Coalition for Equitable Truck Taxes. This coalition of which we are a member includes 41 shippers, owner operators, agricultural organizations, and private and for-hire carrier associations.

Because of the proposed dates of enactment, S. 1475 may not raise sufficient revenues to fund the authorization provided by the STAA. However, the trucking industry would favor amending S. 1475 in order to raise the $72.021 billion which is needed to pay for the increased federal highway program provided by STAA.

The approach offered by S. 1475 has three distinct advantages:

o Returns user funding of highway projects to a pay-as-you-go basis;

o Establishes a taxing mechanism which is easily administered and provides little opportunity for non-compliance; and

o Establishes tax rates for the trucking industry which are equitable and more affordable.

Because Congress was concerned with the size of the increase in the heavy vehicle use tax and the effect this would have on the recessionary financial condition of the trucking industry, STAA provided for the Department of Transportation to study alternatives to the tax. While we are pleased that the Department did not endorse any of the tax alternatives submitted and leaves it to Congress to determine the most equitable approach, ATA is concerned that the Department has changed its original estimates of the revenues to be raised by the taxes enacted in December, 1982. Instead of the $72.021 billion as estimated at that time, DOT's new revenue estimates are $73.3 billion and there seems to be a conclusion that any tax alternatives to the heavy vehicle use tax must raise this higher amount to be "revenue neutral."

It is our strong contention that any tax alternatives considered by the Congress should raise the necessary revenue to fund the highway spending as provided by STAA and not provide a windfall to the Highway Trust Fund which is not necessary, particularly when such windfall would be at the expense of the economic well-being of a hard pressed trucking industry.

With this background, ATA's statement addresses the following areas:

- The adverse impact of STAA on earnings of the motor carrier industry;
- The diesel differential is the only option with widespread support;
- The failure of weight-distance taxes to meet the established objectives of good highway taxation;
- The need for an adequate designated primary highway system for longer, wider vehicles;
- The safety record of twin trailers;
- Technical problems with splash and spray devices; and
- Future research as provided by STAA.

# # #

# II. THE IMPACT OF THE SURFACE TRANSPORTATION ASSISTANCE ACT ON MOTOR CARRIER EARNINGS

Passage of the Surface Transportation Assistance Act of 1982 (STAA) signaled the beginning of a significant increase in motor carrier operating taxes and fees as the industry was singled out to pay a substantial portion of the funds (channelled into the Highway Trust Fund) needed to refurbish and maintain our public highway network. The highway tax increases were much greater than the industry had ever before been assigned. For a typical 5 axle tractor-semitrailer, annual Federal user taxes as they are now structured will more than double the vehicle's tax burden, increasing from $1,746 prior to the STAA to $3,973 by 1985, the first full year the increased Heavy Vehicle Use Tax will be in effect. The tax burden will continue to escalate as the Use Tax is stepped up from its initial $1,600 annually to $1,900 annually by 1988.

Concomitant with the Federal increase in motor vehicle highway fees has been activity in numerous states to also increase their charges against motor carriers, to match additional Federal highway funding. To date almost all states have increased or are proposing increases in state highway taxes against trucks.

## NEGATIVE IMPACT EXPECTED ON MOTOR CARRIERS

When the STAA was passed, ATA conducted an impact assessment on the effect of the increased taxes on the motor carrier financial posture. The technique measured 1982 earnings as if the 1985 level of taxes had been in effect in 1982. It also assumed that state tax increases would follow the Federal lead, as is indeed occurring. The result of this assessment showed that the effect of the higher taxes was an increase in the operating ratio (total operating expenses divided by gross freight revenue) between 1.12 and 1.39 points. The range of the increase is reflective of differing types of equipment used by the industry and the differing tax structures applicable to the various units. Had the taxes been in effect in 1982, the industry operating ratio would have risen from its actual 98.29 level to between 99.41 to 99.68. Instead of generating a meager net income the equivalent of 0.50 percent of revenues, the tax increases would have resulted in an industry net loss of 0.62 to 0.89 percent of revenues.

This, of course, was a suppositional analysis designed to measure the tax impact while avoiding the timing differences in the actual effective dates of the various elements of the overall tax increase. Presently, the first tier of Federal taxes is in effect, including the 5 cent per gallon fuel tax, the 12 percent excise tax (both effective in April 1983) and, most recently, the tire tax (Jan. 1, 1984). The Heavy Vehicle Use Tax is scheduled to become effective July 1, 1984. Thus, while the full tax package is not yet applicable, the industry is already feeling the impact.

## RISING TAXES HINDER INDUSTRY RECOVERY

In 1983, the motor carrier industry improved its financial performance for the first year since 1978. However, in spite of the robust growth being experienced by the economy, the growth in motor carrier business has been modest. Although the financial posture had improved, it has not reached levels which can be considered adequate in light of future needs. A major factor hindering the motor carrier recovery and achievement of sound financial margins is the higher level of operating taxes and licenses already being paid by the carriers.

Since the 5 cent fuel tax and excise tax increases became effective in April 1983, the impact did not materialize until the second quarter. Combined results for general freight and specialized motor carriers for the second and third quarters of 1983 and 1982 show operating taxes increasing 20.65 percent -- from 2.43 percent of revenues to 2.78 percent. During the same period revenues grew 5.55 percent and total expenses 3.33 percent. Vehicle mileage was up 2.51 percent and tons 4.06 percent. Thus, it appears that the Federal tax increases and state tax increases have already resulted in at least a 0.35 point increase in the motor carrier operating ratio. This impact may even be an understatement since taxes have historically been among the most stable of motor carrier expenses, changing very little in context of wider fluctuations in revenues or total expenses. At present, it is the fastest growing of the various expenses required to operate a truck line.

## TAXES COULD BREAK MANY CARRIERS

While the impact of the fuel and related tax increases is severe on motor carrier aggregate results, its effect on individual carriers can be devastating. Consider that even in the improved industry environment of 1983, 23.6 percent of all individual carriers lost money from operations through nine months of the year (operating ratio of 100.0 or higher). Of these firms, almost 15 percent are unprofitable by the margin of increase in operating taxes stemming from the Federal tax increases presently effective. With the greatly escalated Heavy Vehicle Use Tax scheduled to take effect on July 1, 1984, these carriers' ability to turn losses to profits will be severely limited. In fact, most of these carriers will remain unprofitable. When the operating ratio increases another one point as a result of the Heavy Vehicle Use Tax, the industry could see up to 31 percent of its firms in the "red".

## RECOVERING FROM TAX BURDEN DIFFICULT

In the highly competitive motor carrier industry today, the ability of many carriers to recover from the tax increases is limited. The Department of Transportation has asserted that productivity benefits ($3.2 billion) would offset, if not exceed, the cost of the tax increases ($1.8 billion). This level of benefits has been contradicted by other research which shows total benefits of less than $1 billion annually.*

Further, even these benefits have not materialized for several reasons. First, carriers operating at or close to the gross vehicle weight limit with existing equipment cannot use the increased sizes for trailers. This applies, in fact, to a majority of truck operators, especially those in the specialized segments of trucking. Further, the system of highways over which the longer and wider vehicles can operate has not been finalized. Finally, many carriers lack the funds to invest in the more productive units. This is a result of the 1978 to 1982 earnings decline.

---

* See Attachment I, "Analysis of the Department of Transportation's Claim of the Benefits Accruing to the Trucking Industry from the Surface Transportation Assistance Act of 1982", by Regina T. Selva (as presented to the Transportation Research Board January 1, 1984).

## CONCLUSION

Thus, the increasing Federal and state operating taxes add to the industry's dilemma. Operating taxes and licenses are the fastest growing of motor carrier expenses and a further rise of one point in the operating ratio will result in about a third of the carriers experiencing losses from operations.

## III. DIESEL DIFFERENTIAL IS ONLY OPTION WITH WIDESPREAD SUPPORT

Throughout the whole debate on alternatives to the heavy vehicle use tax, the only tax alternative with any substantial support has been the diesel differential as envisioned in H.R. 2124 and S. 1475. Of the 93 comments filed, (with the Department of Transportation at its request in the April Federal Register Notice) 54 supported a diesel differential, 12 supported a weight-distance tax, 20 supported other types of taxes and the remaining 7 did not address the issue. In addition, 41 national and regional associations have formed an organization called the Coalition for Equitable Truck Taxes, which supports passage of S. 1475 and H.R. 2124. Currently, 26 senators are cosponsors for S. 1475, while a majority of the House of Representatives are cosponsoring H.R. 2124.

### EQUITY

Congress has historically recognized that assigning cost responsibility is not an exact science. Today, Congress is faced with the conflicting results of two highway cost allocation methodologies: the consumption methodology opposed by the trucking industry and the incremental method developed and endorsed by the Department of Transportation until two years ago.In 1961 Congress was confronted by a similar situation. At that time, Congress struck a balance between the tax levels based on the conflicting methodologies. Certainly such a "balance" could be struck today.

As Table III-1 indicates, under H.R. 2124/S 1475, combination vehicles which comprise 0.8 percent of the vehicle population and travel 4.1 percent of the miles will be paying 27.6 percent of the highway taxes. This is a logical "balance" between the 21.0 percent cost assignment under the incremental method and 33.2 percent cost assignment under the consumption approach.

In terms of equity, the heavy vehicle use tax effective July 1, will be $1,600 for trucks registered at 80,000 pounds whether the truck travels 20,000 miles per year or 120,000 miles. The "pay-as-you-go" diesel differential is a far more equitable means of raising the needed revenue from heavy trucks.

## PRODUCTIVITY/PREDICTABILITY

The diesel fuel tax has already proven to be a predictable revenue source. Currently, 12 states have diesel differentials. They are:

Alabama
Arkansas
Colorado
Illinois
Iowa
Kansas
Mississippi
Montana
New York
Tennessee
Texas
Vermont

No state has indicated a shift from diesel to gasoline-powered vehicles because of the diesel differential. This is because a diesel engine is more fuel-efficient than a gasoline engine.

TABLE III-1

## H.R. 2124 - DIESEL DIFFERENTIAL

## COMPARISON OF HIGHWAY COST RESPONSIBILITY AND VEHICLE POPULATIONS

| | INCREMENTAL APPROACH(1) | CONSUMPTION APPROACH(1) | PERCENT SHARE(2) | FLEET POPULATION | MILES TRAVEL |
|---|---|---|---|---|---|
| AUTOMOBILES | 45.6% | 39.8% | 42.0% | 69.3% | 67.9% |
| MOTORCYCLES | .5 | .5 | .2 | 5.1 | 1.1 |
| BUSES | 1.0 | 1.3 | - | .3 | .4 |
| PICKUPS AND VANS | 24.3 | 17.3 | 20.3 | 21.6 | 23.1 |
| SINGLE UNIT TRUCKS | 7.7 | 7.9 | 9.8 | 2.8 | 3.4 |
| COMBINATION TRUCKS | 21.0 | 33.2 | 27.6 | .8 | 4.1 |
| (UNDER 70000 LBS. GVW) | (6.4) | (7.9) | (9.5) | (.4) | (1.4) |
| (OVER 70000 LBS. GVW) | (14.5) | (25.3) | (18.2) | (.4) | (2.7) |
| ALL VEHICLES | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

(1) COSTS ASSIGNED TO EACH VEHICLE CLASS.

(2) TAXES DEDICATED TO HIGHWAY PROGRAM. EXCLUDES CONTRIBUTIONS TO URBAN MASS TRANSIT ACCOUNT UNDER H.R. 2124.

TOTALS MAY NOT ADD DUE TO ROUNDING.

ESTIMATES FOR 1985.

Finally, as Table III-2 indicates, H.R. 2124/S. 1475, when introduced, would have raised approximately the same amount of revenue as STAA, or $72 billion as estimated by the Joint Committee on Taxation. While the surplus in the Trust Fund has risen from $9 billion to $10 billion, the industry is committed to a tax proposal which raises the $72 billion so long as it embodies the principles set forth in H.R. 2124 and S. 1475.

ADMINISTRATIVE FEASIBILITY

The diesel differential as contained in H.R. 2124/S. 1475 has at least three advantages over other options: First, it is not a new taxing option. As a result, it will not require new forms or new procedures. Carriers paying the current diesel tax will only pay a higher rate. Secondly, it is not a self-reporting tax. As a result, compliance is widespread and hard to avoid.

In addition, exempting owners of diesel-powered cars and light trucks under 10,000 lbs. gvw, would not place new requirements on the Federal government and the taxpayers. Currently, the Federal government rebates fuel taxes to certain farmers; commercial fishing vessels; intercity, local and school buses; gasoline/alcohol mixture; and qualified taxicabs. Assuming the nation's 2.8 million farmers claim a refund for off-highway usage, then the Federal government is handling at least that many refunds from the Internal Revenue Service, Form 4136, "Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil." Allowing a refund for the nation's diesel-powered automobiles and light trucks would not be a new requirement for the Federal government.

TABLE III-2

## ESTIMATED REVENUE UNDER H.R. 2124 -- DIESEL DIFFERENTIAL

$ MILLION-FISCAL YEARS

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 6-YEAR TOTAL |
|---|---|---|---|---|---|---|---|
| GASOLINE | $6,182 | $8,463 | $8,375 | $8,315 | $8,339 | $8,384 | $48,068 |
| DIESEL | 1,141 | 2,021 | 2,329 | 2,506 | 2,693 | 2,890 | 13,580 |
| TRUCKS & TRAILERS | 610 | 1,102 | 1,397 | 1,578 | 1,702 | 1,850 | 8,239 |
| TRUCK PARTS | 64 | - | - | - | - | - | 64 |
| TIRES | 530 | 250 | 151 | 160 | 166 | 173 | 1,430 |
| TUBES | 20 | 7 | - | - | - | - | 27 |
| TREAD RUBBER | 21 | 7 | - | - | - | - | 28 |
| LUBE OIL | 13 | - | - | - | - | - | 13 |
| USE | 114 | - | - | - | - | - | 114 |
| * TOTAL | $8,695 | $11,850 | $12,252 | $12,559 | $12,900 | $13,307 | $71,563 |
| TOTAL UNDER STAA* | $8,636 | $11,713 | $12,378 | $12,755 | $13,128 | $13,411 | $72,021 |

*SURFACE TRANSPORTATION ASSISTANCE ACT
SOURCE: DATA COMPUTED FROM ESTIMATES BY U. S. CONGRESS JOINT COMMITTEE ON TAXATION. DIESEL PROJECTIONS DERIVED FROM U. S. TREASURY ON-HIGHWAY DIESEL FUEL CONSUMPTION MODEL

Finally, in contrast to the large lump-sum payment required by the heavy vehicle use tax under the STAA, the diesel differential will be a truly "pay-as-you-go" tax. This has been a long-standing principle of highway taxation which has been supported by ATA. The "pay-as-you-go" principle continues to be widely supported in the motor carrier industry, especially in today's tight money conditions for many motor carriers.

## PAYMENT EASE

A diesel differential would not require any additional recordkeeping beyond that which already occurs. As noted above, the only burden would be on the diesel-powered automobile and light truck owners who would file a form requesting an average credit or refund of $30 similar to IRS Form 4136. There would be a significant paperwork reduction for 1.8 million 1/ 2/ to 1.4 million 3/ combination trucks currently paying the heavy vehicle use tax.

In addition, Canadian carriers favor a diesel differential. A diesel differential overcomes the problems of Canadian based carriers in some provinces which are subjected to the heavy vehicle use tax and those based in other provinces which have reciprocal agreements that allow them to avoid taxes.

---

1/ Transportation System Descriptors Used in Forecasting Federal Highway Revenues, Final Report, U.S. Department of Transportation, Federal Highway Administration, June, 1981, Section III.

2/ Capital Cost Allocations and User Charge Structure Options, Highway Cost Allocation Study, Working Paper Number 12, U.S. Department of Transportation, Federal Highway Administration, July 1981, p. 35.

3/ Final Report on the Federal Highway Cost Allocation Study, Report of the Secretary of Transportation to the United States Congress, Pursuant to Section 506, Public Law 95-599, Surface Transportation Assistance Act of 1978, May, 1982, p. IV-23.

## COMPLIANCE AND ENFORCEMENT

The diesel-differential is a simple, straightforward tax that cannot be easily avoided. As a result, it has very high compliance and low enforcement costs. In fact, in most states the costs to collect are approximately one percent. (See Table IV-2).

## SUMMARY

As indicated earlier, a five cent diesel differential meets the criteria of equity, economic efficiency, productivity, administrative feasibility, payment ease, and compliance and enforcement. Furthermore, it returns highway funding to a pay-as-you-go principle for highway user fees. It raises the necessary revenue for a substantially increased highway program.

## IV. WEIGHT-DISTANCE TAXES FAIL TO MEET THE OBJECTIVES FOR REASONABLE HIGHWAY TAXATION

The railroads, the American Automobile Association (AAA) and others favor the imposition of some form of a federal weight-distance tax as a substitute for the heavy vehicle use tax. The extreme complexity in assessing and administering weight-distance tax schemes cause them to be inexact, impercise, and inconsistent. As will be demonstrated in this section, weight-distance tax proposals satisfy none of the objectives of good highway taxation.

### EQUITY AND ECONOMIC EFFICIENCY

Taxes based on some measure of weight and distance can come in many forms:

(a) a tax rate applied to the gross weight of the vehicle and the mileage traveled;

(b) a tax rate applied according to the gross weight of the vehicle and mileage traveled when the vehicle is either partially or fully loaded but a different rate applied to the unladen weight of the vehicle and mileage traveled when empty;

(c) a tax rate applied according to the unladen weight of the vehicle and the mileage traveled; and

(d) a tax rate applied according to the number of axles and mileage traveled.

While there is some confusion between weight-distance taxes and ton-mile taxes, there shouldn't be. In theory, a ton-mile tax varies according to the actual load per vehicle. In practice, only Colorado assesses a ton-mile tax.[1] All other weight-distance (ton-mile) taxes are based upon some type of registered weight: unladen, empty, and maximum gross.

---

[1] The tax is assessed at a rate of .8 mills per ton-mile of empty weight, plus two mills per ton-mile of cargo weight. Reports on mileage are filed each month. To guarantee payment, a bond must be posted equal to two months estimated liability.

A weight-distance tax, like its predecessor the ton-mile tax, is based upon a pseudo-scientific concept. The theory of a tax based on tonnage multiplied by mileage sound terrific, but is deceptive. It is based on an erroneous concept that all highway wear is directly related to the weight of a truck (including load) and that weight and distance are a fair measure of this pavement wear. No evidence has ever been produced demonstrating a direct causal relationship between highway costs and weight-distance.

Furthermore, most weight-distance tax advocates are suggesting a scheme based on gross registered weight; not operating weight. Thus, while administrative feasibility may be enhanced, the opportunity to achieve acceptable levels of equity and efficienty is significantly reduced.

The average weight of any vehicle varies according to the type of operation, commodity hauled, freight availability, and other factors. For example, the average operating weight of a general freight vehicle registered at 80,000 pounds is 61,000 pounds. It is clear that there is no predictable relationship between registered and operating weights.

Ten states (Arizona, Colorado, Idaho, Kentucky, Nevada, New Mexico, New York, Ohio, Oregon, and Wyoming) have taxes that could be broadly construed to assess a weight-distance tax. Six states apply the tax on the basis of registered gross weight. Three states base the tax on unladen or empty weight. And Ohio bases the tax on the type of vehicle and the number of its axles.

Significantly, no other class of taxpayer is subject to the complex and burdensome requirements of a "registered weight-distance" tax. The filing of a bond, the need to display a tax plate demonstrating compliance in some cases, the elaborate reporting forms and mileage records, and the proposed assessment of a carrier for the per diem expense of an audit by state personnel, add up to a system of enormous expense and, in many cases, a reduced revenue level to the states.

## ADMINISTRATIVE FEASIBILITY

The history of weight-distance (ton-mile) taxes indicates that they have been found to be unsatisfactory. Eleven states have repealed laws imposing such taxes. (See Table IV-1) In other words, more states have tried and abandoned some form of a weight-distance tax than currently have them. As the table demonstrates, the principal reason for the repeal was that the taxes could not be administered successfully without using objectionable procedures. States found the taxes difficult to enforce and costly to administer.

The costs of administering weight-distance taxes are high for both the government and the taxpayer. Any tax requiring self-reporting of detailed records creates a potential for evasion. A study done by Wilbur Smith and Associates, for the Wyoming legislature, Highway User Fee Study, contains the following statement about the Wyoming mileage tax, or Compensatory Fee:

> Another serious problem with the current system is the potential for tax evasion. The limited information which is available as well as a review of operating procedures suggest that the opportunity to avoid payment of compensatory fees exists on a significant scale. 1/

Consequently, to ensure a reasonably full compliance, audits of carrier records must be made on a regular basis.

The Federal Highway Administration (FHWA) annually receives data from each of the states on the cost of collecting "State Motor-Vehicle and Motor-Carrier Tax Receipts." This includes registration fees, drivers licenses, titling taxes, fines and penalties, mileage and ton-mile taxes and other miscellaneous receipts. Costs of collection for fuel taxes are also reported to FHWA.

---

1/ Wilbur Smith and Associates and the Wyoming Legislature Joint Transportation and Highways Interim Committee, Wyoming Highway User Fee Study, 1981.

TABLE IV-1

STATES REPEALING WEIGHT-DISTANCE (TON-MILE) TAXES

| STATE | DATE IN EXISTENCE | REASON FOR REPEALING |
|---|---|---|
| Alabama | 1941 - 1961 | |
| Georgia | 1931 - 1937 | "Administrative Expenses Ran High ... 21.47% of gross collections" 1/ |
| Iowa | 1925 - 1939 | "Difficult to administer because it involves self-declaration ... open to evasion." 2/ |
| Kansas | 1931 - 1955 | |
| Michigan | 1946 - 1966 | |
| Minnesota | 1936 - 1949 | "Problems of Enforcement Out of Proportion" 3/ |
| Oklahoma | 1923 - 1938 | "Expense of collecting this mileage tax was rather excessive ... very expensive on the motor carrier owner ... 4/ |
| Tennessee | 1931 - 1939 | "Very impractical ... cumbersome and costly to administer" 5/ |
| Utah | 1933 - 1937 | "Enforcement ... almost universally as unacceptable" 6/ |
| West Virginia | 1933 - 1951 | Discourage the development of intra-state regular route service 7/ |
| Wisconsin | 1933 - 1953 | "Riddled by the Exemptions" 8/ |

---

See next page for explanations

TABLE IV-1 (Cont'd.)

STATES REPEALING WEIGHT-DISTANCE (TON-MILE) TAXES

---

1/ Figures based on the Comptroller General's and Treasurer's report for those years, quoted in statement of R. S. Reese, Executive Secretary of the Motor Vehicle Association of Georgia, July 1949, p. 1281.

2/ E. D. Allen, "Analyses of Highway Costs and Highway Taxation With an Application to Story County, Iowa," Iowa State College Bulletin 152, 1941, p. 90.

3/ Report of the Legislative Interim Committee on Highways, submitted to the Legislature of the State of Minnesota, 1949, p. 75.

4/ Letter from M. C. Connors, Secretary, Oklahoma Tax Collection, to Lyle Griffin, Field Representative of National Highway Users Conference, August 18, 1950.

5/ Board of Investigation and Research, Carrier Taxation, H. Doc. 160, 79th Cong., 1 Sess., p. 231.

6/ "Weighed ... and found wanting," National Highway Users Conference, undated, p. 9.

7/ "The Ton-Mile Tax and Related 'Third Structure' Taxes," National Highway Users Conference, p. 19.

8/ Wisconsin Legislative Council, Advisory Committee on Highways, Report of 1950, Vol. XV, Sec. 1, Part II, Motor Carrier Transportation in Wisconsin, Fees - Taxes - Reciprocity, p. 171.

In those forty-two states[2] and the District of Columbia not assessing weight-distance taxes, the cost of collecting traditional motor vehicle and motor carrier taxes in 1980 averaged 12½ percent of the taxes collected while fuel taxes were 0.78 percent. For the eight states in 1980 which collected weight-distance taxes as well as those traditional taxes, the motor vehicle cost of collection was 16.8 percent and fuel tax cost was 1½ percent. This means that the total cost of collection of all highway user taxes as reported by the states was 8.12 percent of total user taxes in the eight weight-distance tax states and only 5.89 percent in the other 42 states. The estimated cost of collection of the weight-distance tax in these eight states is more than $66 million. (See Table IV-2.) Despite claims of very low collection costs for weight-distance taxes, the state reports to FHWA show that 30 percent of all weight-distance tax collections are expended to collect the tax.

The Wilbur Smith and Associates study in Wyoming indicates that in Fiscal year 1980, the 13 ports of entry collected $6,344,424, consisting largely of the weight-distance tax and trip permits. The operating costs of the 13 ports of entry and two supporting shops were $1,577,765, or 25 percent of the revenues collected. That's about in line with the national average for weight-distance taxes.

In Colorado the ton-mile tax is reported in the fuel tax tables. This shows that in 1980, $112,261,000 in fuel taxes were collected in Colorado and that collection expenses were $13,516,000 or 12 percent of the taxes collected. Since the national average cost of collecting fuel taxes is less than one percent, it is apparent that the cost of collecting the ton-mile tax in Colorado is very high.

---

[2] Data not available for states enacting weight-distance taxes in 1981 or after.

TABLE IV-2

## COMPARISON OF THE COST OF COLLECTING HIGHWAY USER TAXES IN THE EIGHT STATES HAVING SUCH TAXES WITH STATES NOT HAVING WEIGHT-DISTANCE TAXES - 1981

| Type of User Taxes | Thousand of Dollars | |
|---|---|---|
| | Eight States With Weight-Distance Taxes 1/ | States Without Weight-Distance Taxes |
| Motor Vehicle & Motor Carrier Taxes | $1,061,492 | $ 7,004,323 |
| Cost of Collection | 178,065 | 859,678 |
| Collection Cost Rate | 16.77% | 12.27% |
| Fuel Taxes | $1,327,950 | $ 8,755,860 |
| Cost of Collection | 16,049 | 68,627 |
| Collection Cost Rate | 1.21% | 0.78% |
| Total User Taxes | $2,389,442 | $15,760,183 |
| Cost of Collection | 194,114 | 928,304 |
| Collection Cost Rate | 8.12% | 5.89% |
| Mileage Taxes | $ 218,461 | $ ---- |
| Estimated Cost of Collection 2/ | 66,243 | ---- |
| Collection Cost Rate | 30.32% | ---- |

---

1/ Data are not available for states inacting weight-distance taxes in 1981 or after.

2/ Estimated by multiplying total user taxes, less mileage taxes, collected in the eight mileage tax states by the average collection cost rate in the other forty-two states. The product is an estimate of the cost of collecting all user taxes except the mileage taxes. The difference between this and the total cost of collecting all user taxes of $194,114,000 reported to the Federal Highway Administration represents an estimate of the cost of collecting weight-distance taxes in the eight states.

SOURCE: Highway Statistics, Tables MV-2, MV-3, MF-1 and MF-3, Federal Highway Administration.

Detailed Colorado data shows that despite collecting nearly $25 million in ton-mile taxes, only about $12 million is actually available for highway expenditures after deduction of ton-mile tax collection costs.

Oregon is often referred to as a state with low collection costs for its complex weight-distance tax. But as Table IV-3 indicates, the cost to collect Oregon's weight-distance tax is 31.97 percent of the revenue collected, similar to other weight-distance tax states.

PAYMENT EASE

Highway tax proposals should minimize recordkeeping. However, weight-distance taxes increase paperwork and recordkeeping. The Wilbur Smith and Associates study had the following to say about the Wyoming mileage tax:

> Substantial costs are imposed upon the carrier in order to comply with the existing compensatory fee. For some carrier routes, the processing costs for the carriers (stopping as a minimum of two ports of entry) may equal or exceed the compensatory fees which are imposed. In addition, carriers incur costs associated with additional recordkeeping mandated by the compensatory fee system.

A table in this study compares the Compensatory Fees paid by a 32,000 pound truck with the detention costs for two 15-minute stops at the port of entry at each end of the trip for three through state trips. Detention costs "are the costs of driver wages, depreciation, insurance and fuel, in addition to an approximation of dollar costs resulting from the time loss in reaching the trucker's destination."

On the shortest trip, 211 miles, the compensatory fees collected were $8.77 compared to detention costs of $17.50. In this example the costs of stopping at ports of entry were twice the tax paid.

TABLE IV-3

### Weight Distance Tax Collection Cost Example - Oregon 1981

| Type of User Taxes | Oregon User Taxes Collected |
|---|---|
| Motor Vehicle & Motor Carrier Taxes | $ 109,096,000 |
| Cost of Collection | 25,706,000 |
| Collection Cost Rate | 23.56% |
| Fuel Taxes | $ 87,973,000 |
| Cost of Collection | 397,000 |
| Collection Cost Rate | 0.45% |
| Total User Taxes | $ 197,069,000 |
| Cost of Collection | 26,103,000 |
| Collection Cost Rate | 13.25% |
| Weight-Distance Taxes | $ 55,584,000 |
| Estimated Cost of Collection 1/ | 17,770,000 |
| Collection Cost Rate | 31.97% |

1/ Estimated by multiplying total user taxes, less mileage taxes, collected in Oregon by the average collection cost rate of 5.89% in the forty-two states not having mileage taxes. The product is an estimate of the cost of collecting all user taxes except the mileage taxes in Oregon. The difference between this and the total cost of collecting all user taxes of $26,103,000 reported to the Federal Highway Administration by the State of Oregon represents an estimate of the cost of collecting mileage taxes in Oregon.

SOURCE: Highway Statistics, Tables MV-2, MV-3, MF-1 and MF-3, Federal Highway Administration.

On a 365 mile trip through Wyoming the compensatory fees collected totaled $15.18 compared to the detention costs of $17.50. The detention costs represent 115 percent of the taxes paid.

The third trip was a 400 mile trip and $16.14 was collected in compensatory fees compared to the detention costs of $17.50. The detention costs represented 107 percent of the taxes collected. In addition to detention costs there are the costs of maintaining records which the consultants acknowledge to exist, but did not quantify in their analysis.

A survey conducted by ATA's National Accounting and Finance Council (see attachment II) indicates that the cost of complying with a weight-distance tax would be an increase of between 290 and 590 percent, depending on the size carrier, relative to that of complying with the current heavy vehicle use tax.

The majority of small motor carriers currently incur about $15 per truck in administrative costs for purposes of complying with the FHUT. If a federal weight-distance tax were enacted, this "hidden tax" would jump to $102 per truck, which translates into a 590 percent increase. A mid-size carrier currently incurs approximately $12 per truck in administrative costs to comply with the current FHUT. This would compare to an estimate of $52 per truck or a 330 percent increase for a federal weight-distance tax. A large carrier presently incurs approximately $3.50 per truck to comply with the current FHUT, as compared to nearly $13.50 per truck for a federal weight-distance tax of 290 percent more. Clearly, a federal weight-distance tax would substantially increase the compliance costs for all carriers.

Finally, carriers in 9 jurisdictions, including California with the registered truck population, will find it impossible to pay the tax. As Table IV-4 shows, nine jurisdictions do not register by gross vehicle weight which is essential for determining the tax rate. Furthermore, unladen weight, empty weight, manufacturer's shipping weight, and net weight are separate and distinct weight categories. There is no way to determine gross vehicle weight from any of them.

## COMPLIANCE AND ENFORCEMENT

Weight-distance taxes are self-reporting and depend upon those subject to the tax to identify themselves to the state. It is based on the honor system. Those who are honest will pay the tax and the others will not.

The only way to ensure compliance with a weight-distance or ton-mile tax is for the state to audit the records of the carrier. Unfortunately, proponents seem to make the assumption that all carriers keep mileage records which are reported to some state agency. This assumption is incorrect. As Table V-5 indicates, many states do not require that mileage records be maintained: Nine states exempt solely intrastate carriers; four states exempt noncommercial vehicles; two states exempt private carriers with only one truck; and three states exempt intrastate mileage for vehicles base-licensed in the state. Compliance cannot be assured for vehicles which do not keep records.

TABLE IV-4

## STATE REGISTRATIONS OTHER THAN GROSS VEHICLE WEIGHT

| STATE[1] | METHOD OF REGISTRATION | NUMBER OF TRUCKS[2] |
|---|---|---|
| Alaska | Unladen weight | 95,700 |
| California | Unladen weight | 2,900,500 |
| Colorado | Empty weight | 552,700 |
| District of Columbia | Manufacturer's shipping weight | 10,200 |
| Hawaii | Net weight | 70,000 |
| Nevada | Unladen weight | 138,100 |
| Ohio | Net unladen weight | 876,100 |
| South Dakota | Manufacturer's shipping weight[3] | Unknown |
| Wyoming | Unladen weight | 106,500 |

---

[1] In addition, Quebec registers by curb weight (weight of the vehicle minus load).

[2] 1977 Census of Transportation, Truck Inventory and Use Survey.

[3] For non-commercial motor vehicles. Commercial vehicles on gross vehicle weight basis.

TABLE IV-5

STATES NOT REQUIRING MILEAGE RECORDS

| STATE | EXEMPTION |
|---|---|
| Alabama | Wholly intrastate vehicles |
| Delaware | Private carriers with one truck |
| District of Columbia | No fuel purchase law, no mileage reports |
| Florida | Noncommercial vehicles |
| Hawaii | No fuel purchase law, no mileage reports |
| Illinois | Noncommercial vehicles, wholly intrastate vehicles |
| Iowa | Wholly intrastate |
| Kansas | Wholly intrastate |
| Minnesota | Vehicles base-licensed in Minnesota |
| Montana | Wholly intrastate vehicles |
| New Mexico | Wholly intrastate vehicles |
| North Dakota | Wholly intrastate vehicles |
| Ohio | Noncommercial vehicles |
| Oklahoma | Noncommercial vehicles |
| Oregon | Mileage tax in lieu of fuel tax |
| Pennsylvania | Private carriers with one vehicle |
| Rhode Island | Vehicles fully base-plated in Rhode Island |
| South Dakota | Wholly intrastate carriers |
| Texas | Wholly intrastate carriers |
| Washington | Vehicles base-licensed instate |
| Wisconsin | No fuel purchase law, limits fuel importation to 20 gallons |
| Wyoming | Compensatory tax in lieu of fuel tax |

The problem with state audits of ton-mile taxes are clearly described in a study released in October 1982 prepared by the Urban Center of Cleveland State University, An Analysis of Highway Finance in Ohio: Current Practice and Alternative Approaches.[3]

The Ohio study states that:

> ... the 17 audits closed in 1982 by highway use tax field auditors assessed an additional $1.2 million on self-assessed taxes of $6.1 million. This represents 20 percent underpayment. Because field audits are initiated where evidence of problems already exists, total underpayments may be less than 20 percent, but clearly compliance is a much greater problem for this tax than for the motor vehicle fuel tax or license tax. (Emphasis supplied.)

The Ohio study goes on to show that underpayment of the axle-mile tax in Ohio may be even greater than the limited field audits indicated. Based on estimated annual vehicle miles of travel by the different vehicle types subject to the mileage tax, the study shows the state should have collected $86,666,924 in Fiscal Year 1980. But only $47,425,588 was actually collected, representing 55 percent of the amount that should have been collected. In general, the study finds that the lighter the vehicle, the lower the compliance. The additional $39,241,336 or 45 percent of the revenues that should have been collected represents either complete noncompliance with the law or an underpayment of the taxes that should have been paid.

---

[3] An Analysis of Highway Finance in Ohio: Current Practice and Alternative Approaches, Prepared for Ohio Department of Taxation by the Urban Center, College of Urban Affairs, Cleveland State University, 1982.

The results of this Ohio study dramatically highlight a fundamental problem with a self-reporting tax such as a weight-distance tax. Unless audits are performed on a systematic basis, there is not only lack of payment but also places a competitive disadvantage on those carriers who pay the tax. One cannot hazard a guess as to the number of Federal auditors which would be required for the 30,000 regulated motor carriers, approximately 100,000 owner-operatorss, and thousands of private carriers.

SUMMARY

While the concept of weight-distance taxes sounds simple in theory, in reality it is immensely complex. The dilemma confronting weight-distance taxes can be summed up as follows:

- If you make the weight-distance tax practical to collect, it will be inequitable;
- If you try to make it equitable, it will be impractical;
- The simpler you make it, the more unfair it is: and
- The fairer you make it, the more complicated its collection becomes.

## V IMPLEMENTATION OF STAA LENGTH AND WIDTH LIMITS REMAINS INCOMPLETE

The trucking industry is currently paying increased fuel taxes, vehicle excise taxes and tire taxes to the Federal government. In addition, the industry has confronted increases in state highway taxes in nearly every state since passage of STAA. On July 1, 1984, the industry faces a 700 percent increase in the heavy vehicle use tax.

The Congress clearly envisioned that the productivity benefits from the truck length and width provision allowed by the Act partly justified the tax increases. The Act provided that by October 6, 1983, the Department of Transportation was to have established a designated highway system for these longer and wider vehicles. Yet despite the passage of 13 months since enactment of the STAA, nationwide operation of twin trailer vehicles or 102 inch wide trailers as envisioned by the Act is still not a reality.

In one state, Massachusetts, these vehicles may not be operated even on the Interstate System. Several other states allow these units off the Interstate System under highly restricted circumstances for very short distances. As a consequence, for some motor carriers there have been no productivity gains and for many others such gains are severely limited by access problems for these vehicles.

### DESIGNATED HIGHWAYS

The Federal Register notice of September 14, 1983 (23 CFR Part 658) proposing the final designated routes for operation of longer and wider trucks, Federal Highway Administration (FHWA) stated that "there is no conclusive evidence that operation of the trucks authorized by STAA will pose additional safety problems in comparison to vehicles presently allowed to operate by the states." This confirms the trucking industry observations that a majority of the Federal-aid Primary roads are safe for the vehicles authorized by STAA. The fact that 39 states reached agreement with FHWA to designate an average 57.7 percent of their primary roads for these vehicles is a credit to both FHWA and the respective states. ATA commends FHWA and these states for this constructive action.

Six states have not yet agreed to a designated system. These six States of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey and New York, present a serious obstacle for the trucking industry which must be settled quickly. These states are enjoying the revenue raised by STAA, but refuse to allow the productive equipment needed to offset the tremendous tax increases. FHWA has proposed some routes which provide a reasonable starting point for designating a primary highway network. But FHWA should recognize that their suggestions are only a starting point and are not broad enough to meet the objective of the STAA.

In addition, the limited systems offered by the States of Alabama, Florida, Georgia, Pennsylvania, and Vermont have such a limited designation that they do not fulfill either the spirit or the letter of STAA. These five states have designated only 9.3 percent of their primary system. This is down from the 26.4 percent originally proposed by FHWA's April 5th designation for these states. The failure to provide an adequate designated highway system beyond the 9.3 percent of total primary system miles:

1. Prevents motor carriers from enjoying the full productivity benefits intended by STAA to partially offset STAA tax increases;

2. Wastes fuel because of inefficient operations and longer routes;
3. Eliminates any stimulus to jobs and economic development in many large rural regions that broader designation could provide;
4. Is short-sighted -- failing to recognize long-term effects on interregional competition that the designations will create -- and discriminatory to certain "have not" regions distant from Interstate Highways; and
5. Leaves many highways unconnected to their continuations along state borders (between Georgia and South Carolina, for example) thus decreasing the efficiency and productivity potential of the entire system.

The Surface Transportation Assistance Act gives the FHWA an awesome responsibility -- to provide the entire nation with a reasonably uniform, nonpreferential system of designated highways to be used by productive twin 28-foot trailer commercial vehicles and other wider and longer combinations. The purpose of STAA's mandate for a system of designated primary routes was to promote efficiency and increase productivity of truck transportation. A designated system whose coverage is spatially incomplete promotes inefficiency and lowers productivity in rural regions like the Southeast where many economic activities are scattered between and not along the Interstate Highways.

Clearly the designated system will have a major effect on the future redistribution of industry throughout this country and this effect does not appear to be taken into account. The changes resulting from the designated highway system will benefit some regions and will hurt others. Raw material-oriented industries, generally rurally located (pulpwood, furniture, dairying) will suffer while industries along Interstate Highways (market access-oriented industries) are given a substantial competitive advantage.

It should be remembered that the objective of the Federal Aid Highway Act of 1956 establishing the Interstate System was to inter-connect all cities of 50,000 population or more. Failure to provide access to large portions of the rural hinterland not served by the Interstate System will impede improved truck transportation productivity needed to stimulate growth and indeed to survive in a high technology world. It is imperative that the FHWA be mindful of the effects of their actions on long-term differential regional development as they propose the interim and especially the final designated network. To do that a close-up lens must be focused on certain regions of the country where the Interstate Highway System is insufficient in its extent to fully integrate all sectors of a rural regional economy, like that of the Southeast.

A designated system of highways based largely on the Interstate System will promote a continuing divergence of the "have" and "have not" regions of each state. Those industries in sections of the state that benefit now by virtue of good market access location on the Interstate System will increase their benefits. Those industries constrained to be in rural areas near their raw materials but far from Interstate Highways will not benefit. States trying to attract industries to fill the gaps created by failing industries won't be able to stress the advantages of nearness to the most productive truck transportation facilities. A continuing cycle of regional economic decay is put into motion by the short-sightedness of the design of the presently incomplete and highly skeletal designated system.

For the long-term health of the entire nation, it is imperative that the designated highway system be made to approximate an integrated circulatory system among all the nation's economic activities. Failing to add additional links is counterproductive and defeats the intent of the STAA.

We urge the Congress to direct that interim designations be reviewed in light of the long-term changes the network will cause, to add the routes where needed to provide a reasonable highway system in each state. Failure to do so will amount to preferential treatment for economic activities which already benefit substantially from their locations along the Interstate System and could initiate long-term regional economic decay in the affected areas of the state.

## VEHICLE LENGTH

The FHWA has specifically notified the states that "no State may impose a maximum length limit on a semitrailer in a semi combination of less than 48 feet, or on a trailer or semitrailer in a double combination of less than 28 feet, when operating on the National Network." These limits are to serve as minimums, however, not maximums. States with higher limits cannot establish maximums lower than those in effect on December 1, 1982.

In addition to these general requirements concerning vehicle length, the STAA provides for separate regulations for auto transporters and for so-called "dromedary" boxes on certain truck tractors.

## AUTO CARRIERS

The National Automobile Transporters Association's (NATA) has requested that FHWA require all states to provide that a truck tractor semitrailer combination engaged in the transportation of motor vehicles shall not have a length limitation of less than 65 feet, inclusive of front and rear bumpers, but exclusive of overhang. These limits should serve as a minimum on Interstate and designated Federal-aid Primary roads. The STAA does not affect the ability of the states to legislate greater lengths, it only sets minimums. This provision is included in proposed DOT rules but is not yet in effect in all states and may not be for the forseeable future.

## DROMEDARY TRACTORS

DOT's proposed final rules also indicate an intention to grandfather the so-called "dromedary" box of the truck-tractor [illegible]it if it was in actual and lawful operation prior to January 6, 1983, on the National Network. Certainly these boxes have improved the productivity of not only household goods carriers, but also other carriers of low density cargo. Unfortunately, the language of the proposed final rule results in a tortuous rule which grandfathers only existing equipment until it wears out. Further, the rule is not clear on how the States may limit vehicle length for such units.

The American Movers Conference has proposed new language to govern "dromedary" equipment which would clarify the issue. At this time, since the final rules are still under study at DOT, the continued use of "dromedary" equipment remains uncertain. Again, there is no assurance that carriers will be able to gain any productivity benefits from the "dromedary" rule after it is made final - or at any time in the future.

## VEHICLE WIDTHS

As long ago as July 1969 the trucking industry supported 102 inch vehicle widths. Over the years, testimony showed they would provide the improvements in stability, as well as benefit productivity. Unfortunately, STAA limits this equipment to Interstates and designated Federal-aid primary roads.

Few carriers will be able to dedicate the wider trailers to use solely on the National Network. Without adequate access, such equipment cannot be used in all locations or to all of a carrier's facilities.

This apparently will be particularly true for general freight motor carriers. Many of these carriers are now purchasing or planning to purchase twin trailer equipment for the first time as STAA allowed the operation of these units nationwide, at least on the Interstate System (except for Massachusetts which continues to ignore the Federal statute). But the real economic advantage of such units is the ability to separate the two short trailers, hook each to a city delivery tractor and deliver the freight directly from each trailer. This minimizes expensive dock handling for this freight.

Unfortunately, only a handful of states are prepared to give reasonable access to 102" trailers, despite the fact that many now allow 102" buses. Since the STAA does not give the DOT authority to require states to allow 102" on all roads, many carriers have concluded that there is no hope of operating wider trailers on all roads, particularly in Eastern and Southern states. As a result, carriers continue to purchase 96" wide twin trailers. For these carriers and for others who find the very limited access off the Interstate and designated systems of many states too restrictive for their operation, there will be no productivity gain from the 102" width provision for many years - if ever.

## ACCESS

As noted earlier, the Surface Transportation Assistance Act of 1982 provided for operation on the National System of Interstate and Defense

Highways, and for other Federal-aid highways as designated by the Secretary of Transportation, of twin-trailer truck combinations and of vehicles of not less, or more than, 102 inches of width.

It is, of course, vital that once the road designations have been made, or even while the process is underway, that "reasonable access" be permitted to these systems. Unless the motor carriers that will be utilizing the new dimensions have reasonable access to points of origin and destination, the intent and purpose of the Act will not be realized.

The present language provides, among other things, that reasonable access must be provided to points of loading and unloading for household goods carriers. This is necessary as certainly the economic value to consumers of more efficient loading by the household goods carriers cannot be realized if they cannot reach their destinations. However, there are many other motor carriers, particularly the specialized carriers and bulk carriers, who must reach points of unloading and loading but these need not be, and in many cases are not, terminals. Not to allow these carriers "reasonable access" to the designated road systems would be to frustrate the purpose of national uniform size and weight standards.

In its Docket No. 83-14, the Federal Highway Administration (FHWA) indicated that only the states could determine what constitutes "reasonable access." While we agree with FHWA's position, we were disappointed that FHWA did not comment on what constitutes "unreasonable access." For example, how can 1/2 mile be determined as reasonable for states as diverse as California and Virginia while at the same time 10 miles is reasonable for Missouri and North Dakota? Obviously, carriers must be able to reach facilities for food, fuel, repairs and rest and terminals as well as loading and unloading for household goods carriers regardless of where these facilities are located. These facilities for food, fuel, repairs and rest were located prior to STAA. To deny them trucking industry customers because of STAA is unfair and untenable.

We therefore strongly urge the committee to amend the Surface Transportation Assistance Act to provide the following language for access:

> "No State may enact or enforce any law denying reasonable access to commercial motor vehicles subject to this title between (1) the Interstate and Defense Highway System and any other qualifying Federal-aid Primary System highways, as designated by the Secretary, and (2) points of loading and unloading, terminals, facilities for food, fuel, repairs, and rest."

This amendment would clarify the intent of the Congress and would provide the necessary access for points of unloading and loading for household goods carriers as well as other carriers who do not operate to or from terminals.

## VI. THE SAFETY RECORD OF TWINS

The majority of research studies comparing the safety of twins and other vehicle types support the fact that twin trailers are indeed safe. Of 49,268 fatalities nationally in 1981, only 1777 were from accidents involving twin trailers operating in 36 states, according to the National Highway Traffic Safety Administration of the U.S. Department of Transportation. That's only 36/100ths of one percent of the total!

Even before the Surface Transportation Assistance Act of 1982 (STAA) permitted 28-feet twins nationwide, twin trailer combinations had been operating in 36 states for many years with a proven record of safety. Numerous state highway officials have testified in court that their state's experience has indicated twin trailers to be as safe or safer than semitrailers.

In 1975, the State of Iowa surveyed the states which permitted twin trailer operations and found that there were no special safety or enforcement problems for such vehicles. The U.S. Supreme Court has twice struck down state bans on twin trailers and thereby upheld lower court rulings which held that allowing the operation of twin trailers would not adversely affect safety, and that banning their operations does not result in greater safety.

In Wisconsin the Supreme Court found the evidence on twin trailer safety to be overwhelming. The Court acknowledged that "a massive array of evidence" had been presented to disprove the state's contention that regulations against doubles equipment contributed to highway safety. The State of Wisconsin did not actively challenge the safety evidence. In the Iowa case where the safety evidence was fiercely challenged, the trial court said "the evidence convincingly, if not overwhemingly, established that the 65-foot twin is as safe as, if not safer than the 60-foot twin and the 55-foot semi." The Eighth Circuit Court of Appeals and the United States Supreme Court affirmed the District Court in this conclusion.

The most comprehensive safety study whose results were recognized by the court was conducted by the U.S. Department of Transportation's (DOT) Bureau of Motor Carrier Safety (BMCS) in 1977. It compared accidents, injuries, and fatalities per mile over eight years and two billion miles of operation for both semi and twin trailer equipment. In each category the twins were statistically superior.

A 1973 study by the California Highway Patrol found "the number of accidents per million miles of travel (0.5) was very low for both doubles and tractor-semitrailers." A 1978 California study entitled "Comparison of California Accident Rates for Single and Double Tractor-Trailer Combination Trucks" states that "there was no significant difference between the number of doubles and singles accidents or the number of injuries per million vehicle miles (MVM) of travel."

In 1981, the Highway Safety Research Institute (HSRI) (now the Transportation Research Institute) of the University of Michigan (UMTRI) released a study entitled "A Comparison of Accident Characteristics and Rates for Combination Vehicles with One or Two Trailers." The study found that "most studies based on accident statistics show little difference in the overall accident rate of singles and doubles." The study found that twin trailers had a lower percentage of involvements with other vehicles, a lower proportion of jackknifes and, in general, lower fatality/injury rates per accident than vehicles with one trailer.

The study emphasizes that differences in trip length and trailer configuration (e.g. van, tank, flatbed) are apparently of much greater significance as factors in accident involvement rates than differences between the number of trailers in a combination (i.e. "singles" vs. "doubles").

A recent National Highway Traffic Safety Administration (NHTSA) publication, Large-Truck Accident Causation (July 1982) (LTAC) reviewed many of the safety studies completed over the past 15 years. The authors of this study say:

> Nine studies have compared the records of single-trailer and double-trailer combination trucks. Four of these have indicated that double-trailer combinations are less frequently involved in accidents but noted that this could be the result of stricter operational conditions such as the employment of more experienced drivers or the safer highway environments in which they were observed. Three studies, two in the early 1970s and one in 1979, have found no difference between accident involvement for single- and double-trailer combination trucks, and two other studies have shown that double-trailer trucks tend to experience both higher accident rates and higher injury and fatality rates (LTAC, p.x).

In their review, NHTSA listed each study as if it were an equally weighted bit of evidence on one side or another of the issue. They show little regard for the significant variations in the quality of transportation safety reserch investigations and the differing significance of their results. Providing a tally of the number of studies on one side or the other without regard for research quality provides the reader with the wrong impression. For example, the "two other studies" showing higher rates for doubles should not be included in the tally at all.

One of the studies that found higher rates was the "BioTech Study"[1] which was so seriously flawed that the rate-related conclusions are invalid. The study has been discredited by many different organizations and is not relied upon by knowledgeable persons in the truck safety field. Analysis of the study by the Transportation Systems Center of the U.S. Department of Transportation raised questions about the adequacy, accuracy and representativeness of the BioTech Study. The University of Michigan Transportation Research Institute pointed out that the states which were selected for the study are not representative of truck transportation nationally; that the sites selected were not representative; and that the methods of counting traffic to determine exposure to accidents were faulty. In sworn testimony in Federal court, the Midwest Research Institute has pointed out many failings of the study and the "uselessness" of the exposure data.[2]

The BioTech Study analyzed 2,112 accidents, only 200 of which involved twin trailers. Ninety-five percent of the twin-trailer data for the study were from California truck operations and fifty-three percent of the twin-trailer accidents occurred at only three sites. One site was a mountain pass. A second site called "The Grapevine" is the steepest, longest mountain grade in the nation. The third site was the Oakland Bay Bridge, which has a traffic count of 184,000 vehicles per day. The study contractor stated that the study is not nationally representative. The selection of sites shows that the study is not representative even of California, let alone representative of the nation.

---

[1] Vallett, G.R.; McGee, H.W.; Sanders, J.H.; and Enger, D.J. The Effects of Truck Size and Weight on Accident Experience and Traffic Operations, Volume III: Accident Experience of Large Trucks. FHWA/RD-80/137. Washington, DC: FHWA, DOT, July 1981.

[2] Glauz, William. Testimony in Consolidated Freightways v. Pennsylvania. Exhibit: "Witness: W. Glauz CF PT-1182," June 29 1982.

The BioTech Study counted accidents which occurred day or night, in any lane of traffic, and in both directions of travel. Collection of traffic counts to determine exposure to accidents was much more limited. Most counts were on an eight-hour basis and of traffic in only one direction. Many times, the count relied on use of automated cameras which did not function properly during most of the study and which counted only vehicles in one lane of one direction of traffic in daylight. The study methods were bound to result in badly skewed rates of accidents because the exposure data were so inaccurate -- in fact "useless" as Midwest Research Institute testified in court.

The other study that NHTSA said found higher rates for doubles was performed by what is now the University of Michigan Transportation Research Institute.[3] It should not be used in twins-singles comparisons according to the testimony in court by an UMTRI representative because the study focused on types of brakes used on vehicles rather than on the safety records of vehicle types. Consequently, the sample was purposefully biased toward a particular group of trucks (those with FMVSS 121 brakes).

Given the fact that the BioTech Study and the FMVSS 121 Study must be excluded from any discussion of the safety of doubles vs. singles, there are no longer any studies reviewed by NHTSA that found higher rates for doubles. Adding to the overwhelming evidence in favor of the safety of twins are new data released by DOT after the NHTSA study was published. In June 1983 the Bureau of Motor Carrier Safety reported, as part of an ongoing study, that tractor-semitrailers have a record of 1.12 accidents per million vehicle miles over the twelve-year period of the study compared to a lower rate of .785 for twin trailers. One month later, in July 1983, BMCS released a report based on a survey of 99 motor carriers and 3.5 billion miles of truck transportation in 1982 which shows that tractor-semitrailers have 1.14 accidents per million miles of travel compared to .70 accidents per million miles of travel for twin trailers.

---

[3] Campbell, K.L., and Carsten, O. Fleet Accident Evaluation of FMVSS 121. Final Report. UM-HSRI-81-9. Ann Arbor, MI: HSRI (now UMTRI), August 1981.

The record of past Federal and institutional research supports the safety of twins as do major insurance companies who insure both twins and semitrailers. Insurance companies have uniformly found twin trailers to have the same or slightly lower casualty experience as semitrailers. The following excerpts from testimony in the landmark Iowa case were very revealing:[4]

> As a loss prevention specialist, I wish to comment on the relative safety of twin-trailer truck combinations. Our company's statistics show that the safety record of twin trailers is even better than that of conventional equipment.
>
> --- James B. Spice
> Vice President-Loss Prevention
> Carriers Insurance Company
> Des Moines, Iowa

---

[4] "Sixty-Five Foot Twin Trailers on Iowa Highways," Iowa Department of Transportation, April, 1975, Kassel v. Consolidated Freightways, 67 L. Ed. 2d 580 (March 24, 1981) Appendix p. 594-595.

> We make no distinction whatever in rating our power vehicles for liability as to tractors with one or with two trailers. We make no distinction under our ratings for tractor-trailer units for width, weight, or length.
>
> --- John Sullivan
> Regional Commercial Manager
> Truck Underwriters Association
> and Truck Insurance Exchange
> Kansas City, Kansas

> The fleets that we insure have consistently reflected lower accident frequencies with their twin trailer operation than they have with their conventional equipment.
>
> --- R.G. Begeman
> Vice President
> Transport Insurance Company
> Dallas, Texas

> From a purely statistical point of view the use of doubles has no effect whatever upon liability insurance rates - in fact they ultimately will reflect a reduction in rates since operators can have the advantage of operating shorter equipment in congested areas.
>
> --- Mike McCrary
> Vice President/General Manager
> Carriers Insurance Company
> Des Moines, Iowa

> Our Safety Department unequivocally feels that doubles are safe and efficient and that they pose no additional safety hazard to the motoring public. During the period that doubles have been introduced in the west, the overall safety record of fleets insured by Transport has been amply demonstrated by the fact that their insurance rates have been consistently lowered. The bulk of our accounts are basically on a cost-plus insurance program and this reduction in rate is a direct reflection of improved safety in operation.
>
> --- Robert W. Stevenson
> President
> Transport Indemnity Company
> Los Angeles, California

Because only four twin trailer combinations are needed to transport the same volume of freight hauled in five tractor-semitrailer combinations, the extension of twin trailer operations in additional states offers the potential for a reduction in the total number of combinations on the road with attendant reduction in truck traffic volume. Twin trailer operations will be conducted primarily on Interstate and on other designated highways which are well able to accommodate the equipment without adverse effects on the motoring public. The truck-tractors used as power units are basically the same as the truck-tractors used in tractor-semitrailers with respect to steering, braking, gear shifting, visibility and parking. Twin trailers track better through turns and on ramps than do tractor-semitrailers. Concern has been expressed that the greater overall length of twin trailers requires additional time for passing and is hazardous to the drivers and passengers of today's smaller cars. In the legal proceedings that led to the striking down of the twin trailer bans in Wisconsin and Iowa, the court considered testimony that it does take longer to pass a 65-foot twin unit than a 55-foot tractor-semitrailer. In actual passing maneuvers, the driver of the faster vehicle is usally accelerating throughout the maneuver. The speed difference between the two vehicles would be greatest toward the end of the passing maneuver. If, at that point the difference in speed is 10 miles per hour, the actual time difference to pass would be only 2/3 of a second more for the additional 10-foot length of a twin trailer unit.

## VII. SPLASH AND SPRAY SUPPRESSANT DEVICES

Section 414 of the Surface Transportation Assistance Act (STAA), "Splash and Spray Suppressant Devices," requires the Secretary of Transportation to establish minimum standards with respect to the performance and installation of these devices within one year of enactment of the law. Minimum standards were therefore due to be published by January 6, 1984, but that date was not met. Changes are needed in the law to extend the date for issuing the standards and the dates for the compliance by the industry.

While no formal statement has been issued by the Department of Transportation, ATA has been led to believe DOT has failed to meet its deadline because it found the development of a performance standard for splash and spray suppression to be more difficult than anticipated. It appears that testing by DOT produced results which conflicted with the claims of some of the control device manufacturers. Obviously, more research by DOT will be needed before minimum standards can be proposed. We ask not only that additional time be given for establishing standards but also that the entire time table for compliance must be reorganized.

As written, 414(b)(1) mandates a deadline date for the final rule for both new equipment and for retrofit of in-service vehicles. The compliance dates are set by 414(b)(2)&(3) for two years after enactment of STAA for new equipment and five years later for in-service equipment.

Although DOT failed to comply with the January 6, 1984, deadline, ATA has established a task force to address retrofitting splash and spray suppressants to older vehicles. Some fleets have, at great expense, outfitted their equipment with spray reduction devices. Finally the manufacturers of such material and its installation hardware have begun to concentrate resources so as to be able to fill the market if their device meets the DOT standards.

Many fleets want to comply with the spirit of Section 414 but are reluctant to commit to devices something presently being marketed. It costs roughly $800 to $1,000 to outfit a tractor-trailer combination. This investment would be wasted if the system selected falls short of DOT's standards.

With the law as it now stands, DOT's delay in issuing final standards shrinks the time remaining for equipment development and installation. Carriers originally had five years to work on the problem as 414(b)(2) requires all vehicles to comply by January 6, 1988. Now there are but four years for fleets to act and, if DOT's proposals take much longer to come, the comment and final ruling times inherent with rulemaking will reduce that even further.

Section 414 will require the expenditure of roughly $3,000,000,000[1/] to retrofit an estimated four million affected vehicles. This is obviously not a trivial matter to the trucking industry and a law having such an impact should not be clouded in the veil of uncertainty which now surrounds the timing of DOT's final standard. Therefore, we recommend Section 414 be rewritten as follows:

(b) The Secretary shall by regulation -

(1) On or before (date to be set after conference with DOT) establish minimum standards with respect to the performance and installation of splash and spray suppression devices for use on all truck tractors, semitrailers and trailers to be operated on the Interstate System;

---

[1/] ATA Memorandum - "Cost of Splash and Spray Suppressant Devices," Vic Suski to Will Johns, February 7, 1983 (attached).

(2) Within one year after minimum performance standards required by the paragraph (1) of this subsection have been published, require that all new truck tractors, semitrailers and trailers to be operated on the Interstate System be equipped with any splash and spray suppression devices which satisfies the standards established pursuant to paragraph (1) of this subsection;

(3) Within four years after minimum performance standards required by paragraph (1) of this subsection, require that all truck tractors, semitrailers and trailers operated on the Interstate System be equipped with any splash and spray suppression device which satisfies the standards established pursuant to paragraph (1) of this subsection.

(c) No Change.

The time table just proposed accomplishes two objectives important to motor carriers:

(1) It assures that time is provided after issuance of the new equipment regulation to prepare for compliance; and

(2) It enables operational experience gained with the new equipment regulation to be drawn in retrofitting in-service equipment.

## VIII. FUTURE RESEARCH REQUIRED BY THE SURFACE TRANSPORTATION ASSISTANCE ACT

Section 144 of the Surface Transportation Assistance Act (STAA) requires the National Academy of Sciences and the Transportation Research Board (TRB) to conduct a two-year study to monitor the effects of twin trailers. With the widespread use of these STAA-permitted twin trailer vehicles previous to 1982, one would have thought DOT would have been collecting data to determine their relative safety impact. Yet, for example, in the case of twins, no true national comparable study of the safety of twins and other vehicle types has been carried out. Most studies completed to date have been oriented to particular states, regions, or carriers. Consequently, while the results have been somewhat mixed, these studies have been inconclusive because of limited scope and/or limited data.

To properly monitor the highway safety effects of twins, accident data should be matched or matchable with exposure data usually in the form of vehicle miles traveled (VMT) by highway type so that accurate accident rates can be calculated for twins, singles, and other vehicle types.

In developing a practical research design for STAA's monitoring study, there must be recognition of the realistic constraints of time, data availability, and budget. A monitoring study requirement is in the best interest of highway safety, especially that of the trucking industry which has always been committed to maintaining and improving highway safety.

ATA seeks a study effort that will lead to unbiased scientific measures of the relative safety of twins -- accident rates based on accident and exposure data that can be used to compare twins' safety experience with that of other truck types.

The two "best" research design options for TRB would use: (1) existing fatal accident data from the University of Michigan Transportation Research Institute's (UMTRI) merged Fatal Accident Reporting System/Bureau of Motor Carrier Safety (FARS/BMCS) Survey data base combined with not-yet-available exposure data from the National Truck Trip Information Survey (NTTIS); or (2) new data produced by matched pair analyses involving carriers that operate a high percentage of the total twins mileage.

Unfortunately, TRB's staff have advised against ATA's approach. The staff concedes that either of the ATA's approaches would be appropriate if the overriding study objective is to perform another double trailer truck accident analysis in the next two years. However, in conducting such an analysis over the next two years, they claim it will be difficult to make statistically sound estimates of accident rates on non-Interstate highways. Moreover, they believe that the need for such an analysis using new data should be examined as part of longer term monitoring that carefully considers alternative designs (such as a highway segment based sampling procedure) and the need to integrate with the analysis of other heavy truck types and configurations. Finally, they are concerned about focusing so much of the study effort on such a narrowly conceived, albeit important, issue that has been repeatedly analyzed in the past with limited success; and the advisability of depending too heavily on data financed or provided by industry.

The work plan for the TRB study monitoring the effect of twin trailers as called for in STAA is not yet finalized. As those plans are reviewed, ATA hopes TRB will conduct a two-year study of the effect of twins. While the TRB staff's desires to establish a program which goes beyond two years is understandable, STAA only calls for a two-year study. Given this brief period, we believe our two alternatives remain the best options: (1) a nationwide approach using the UMTRI truck accident fatal file and its ongoing truck exposure survey with over-sampling for twins and singles; (2) a "matched pair" analysis using data on accidents and exposure provided by major carriers who operate twins and singles.

Sections 138 and 415 of STAA required DOT to submit to Congress by mid-1984 a detailed report on the potential benefits and costs of establishing a national intercity truck route network for operating longer combination vehicles (turnpike doubles, Rocky Mountain doubles, and triples). In order to determine the possible impacts of such a national intercity truck route network, information on actual and anticipated operations was needed. ATA and the Western Highway Institute (WHI) cooperated closely with DOT's Federal Highway Administration (FHWA) in a coordinated effort to investigate the feasibility of establishing a designated network of highways upon which carriers might operate combination vehicles longer than the twin 28-foot trailer combinations permitted by STAA. That coordinated effort took the form of a survey of users and potential users of longer combination vehicles.

A three-part questionnaire was designed and reproduced for maialing to a sample consisting of three groups:

1. The two hundred largest motor carriers based on 1982 operating revenue.
2. Current (April 1983) holders of permits to operate longer combination vehicles on the New York Thruway (132 potential respondents).
3. Current (1983) holders of permits to operate longer combination vehicles in four western states (ID, NV, OR and UT) (931 potential respondents).

Mailings to the first two groups were administered by ATA and to the third group by WHI.

The sample was a purposive and not a random sample. The combination of the three groups is believed to be a reasonable approximation of a significant portion of the statistical population at issue in the survey -- current and potential users of longer combination vehicles -- for three reasons: (a) because New York is one of the few eastern states that permits longer combination vehicles, the current listing of New York Thruway permit holders represents the best approximation of present users in the East; (b) similarly, the permit holder listings from the four western states represent a good approximation of present users in the West; and (c) the largest carriers (the top two hundred in operating revenue, for example) are best able to realize the potential economies inherent in longer combination vehicle operations and constitute the group most likely to have the resources necessary to be able to begin using or expand current uses of longer combination vehicles (best approximation of potential users).

At this writing the response rates are as follows:

| | | |
|---|---|---|
| 1. | "Top 200" | 106/200 = 53.0% |
| 2. | New York Thruway | 23/132 = 17.4% |
| 3. | Western Group | 88/931 = 9.5% |

Overall the response rate was 14.8 percent (217/1,463).

Both the FHWA and ATA at this writing are just beginning to create data files based on the Longer Combination User Survey responses. Results, which include information on the accident record of respondents, can be categorized by type of carrier, number of tractors, number and type of trailers, annual mileage, commodities carried, average miles per gallon, area of operations, and present vs. potential use of longer combination vehicles, to mention just a few of the many variables. Presently both ATA and FHWA are working closely to ensure that responses are accurate and consistent before their entry into the data file. Reports on the results are due out in the Summer or Fall of 1984.

## IX. CONCLUSIONS

The American trucking industry has always been a supporter of good highways. Furthermore, the industry has been willing to pay its fair share of Federal highway taxes. Yet, the tax features of the Surface Transportation Assistance Act threaten to destroy the unique relationship the trucking industry has with highway funding unless certain changes are made. The changes the industry seeks are equitable and will return the truck tax program to a true use tax basis. For these reasons, we urge Congress to quickly enact S. 1475 and H.R. 2124.

The ATA has actively promoted the liberalization of length, weight, and width provisions contained in STAA. Because of the high price now being assessed against the industry for these productivity benefits, ATA believes it is incumbent upon the Congress to assure that an adequate national network of Federal-aid Primary roads is designated.

We believe that these vehicles are safe. ATA concurs with the statement by the Federal Highway Administration (FHWA) in FHWA Docket No. 83-14 that "there is no conclusive evidence that operation of the trucks authorized by STAA will pose additional safety problems in comparison to vehicles presently allowed to operate by the states." Further delay in the widespread use of these vehicles due to unfounded allegations of adverse safety impacts is unwarranted.

We also ask the Congress to amend Section 414 to give recognition to the delay by the DOT in meeting the provisions of STAA for the establishment of standards for splash and spray suppressant devices.

Attachment I

# ANALYSIS OF

# THE DEPARTMENT OF TRANSPORTATION'S CLAIM OF THE BENEFITS ACCRUING TO THE TRUCKING INDUSTRY

# FROM THE

# SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

AMERICAN TRUCKING ASSOCIATIONS, INC.

JULY 1983

## I. INTRODUCTION AND SUMMARY

On January 6, 1983, President Reagan signed the Surface Transportation Assistance Act of 1982 (STAA). This legislation not only included a 5-cent tax increase on gasoline and diesel, but also included substantial increases in other taxes which apply only to trucks:

- Tire taxes increased from 9.75 cents per pound to as high as 50 cents per pound over 90 pounds;
- Excise taxes on new trucks and trailers increased 33 percent from 10 percent wholesale to 12 percent retail; and
- The heavy vehicle use tax increased 700 percent from a maximum of $240 per year to $1,900 per year.

The results of these tax changes on a typical five-axle tractor semitrailer is to increase average federal highway user taxes from $1,746 per year to $4,249 in 1988.

The STAA also made changes in truck weight, length, and width limits:

- The STAA requires 80,000 pounds gross vehicle weight (gvw) limits nationwide. Prior to STAA, three states -- Illinois, Arkansas, and Missouri -- did not permit 80,000 pound gvw vehicles;
- The STAA provides for nationwide operation of twin trailer combinations consisting of two 27- or 28-foot trailers pulled by a tractor. Prior to passage of STAA, 14 states in the East did not allow the operation of such vehicles (which had operated extensively in the West); and
- The STAA removed the restrictions against operation of the 60-foot tractor semitrailer combination and the 65-foot twin trailer combination by allowing states to set trailer and semitrailer length limits only, providing those limits are no less than 48 feet for semitrailers operating in a tractor semitrailer combination, and not less than 28 feet per trailer in a twin trailer combination. Companion legislation increased the maximum vehicle width permitted from 96 inches to 102 inches.

On April 29, 1983, Secretary of Transportation Elizabeth Dole spoke before the Private Truck Council on the net impact of STAA. She stated that:

> . . . the trucking industry should show a net gain of $3.2 billion by 1985. 1/

Later in an interview published by U.S. News and World Report, Secretary Dole again repeated her claim:

> I do not believe the additional tax burden levied against trucks as a whole is unfair. By 1985, these larger trucks are going to improve the productivity of trucking to the tune of 4.9 billion dollars a year, we estimate. The higher user charges will cost them only 1.7 billion. 2/

The purpose of this paper is to analyze the Department of Tranportation's claim: Will the trucking industry receive a $3.2 billion productivity benefit? The trucking industry thinks not. In fact, the productivity benefit will be closer to $829 million:

TABLE I

Estimates of Net Productivity Savings
from Surface Transportation Assistance Act of 1985
(1985)
($ millions)

| PRODUCTIVITY SAVINGS | DOT | ATA |
|---|---|---|
| Eliminate "barrier state" weight limits | $ 830 | $ 379 |
| Allow Western Doubles in East | 2,310 | 1,466 |
| Increase trailer lengths | 850 | 366 |
| Increase trailer widths | 950 | 418 |
| SUBTOTAL | $4,940 | $2,629 |
| INCREASED TAXES | -1,700 | -1,800 |
| NET BENEFIT | $3,240 | $ 829 |

---

1/ According to Anthony Kane, Chief, Transportation and Socio-Economic Studies Division, Federal Highway Administration on May 3, 1983, Secretary Dole's estimate was based upon a $5.0 billion total productivity saving from the size and weight package less $1.8 billion in increased user fees.

2/ "There's No Higher Mandate Than to Promote Safety," interview with Elizabeth Dole, Secretary of Transportation, U.S. News and World Report, May 9, 1983, p. 50.

In other words, DOT's productivity estimate is inflated by almost 100 percent. More importantly, DOT's estimate of net benefits is close to 400 percent too high.

## II. BACKGROUND

Although DOT's productivity savings estimate is used extensively by the Administration in support of STAA, DOT is unable to provide tangible documentation of the methodology used in its derivation. Dominic Maio, Operations Research Analyst with the Transportation System Center, is largely responsible for the estimate and provided the mileage data used in the calculation via a phone conversation. (See Table II.)

DOT's estimates are primarily based upon a computer simulation of a scenario (labled Scenario "L" by DOT)[1] which assumes the following:

- 65-foot twin trailers allowed on the Interstate System, nationwide; and
- 80,000 pound gvw limit allowed, nationwide.

Diversion of freight between the modes was not considered.

### SAVINGS FROM ELIMINATION OF WEIGHT BARRIER STATES

DOT's barrier state estimate is overstated as a result of the following:

- Interpolation of total miles from loaded miles is based on an inflated empty mileage rate; and
- Allocation of miles saved among the affected states is improper.

---

[1] System Design Concepts, Inc., "Additional Truck Size and Weight Analyses: Impact of Allowing Doubles on the Full Interstate System and Using Only the Bridge Formula (B) to Limit Gross Weight," prepared for the Department of Transportation, April 1, 1982. The input data and conclusions appearing in this report differ from those appearing in Table II. However, the assumptions are essentially the same.

TABLE II

## DISTRIBUTION OF LOADED INTERSTATE VMT

SCENARIO 'L'
(millions of miles)

| | WEIGHT LIMITED 1/ | | NOT WEIGHT LIMITED | | | | |
|---|---|---|---|---|---|---|---|
| | Low Limit 18/22/73 | High Limit 20/34/80 | Partial Load High Density | General Commodity | Other Low Density | Western Doubles | TOTAL Loaded VMT 2/ |
| 1982 Base Case | 4,573 | 8,145 | 5,338 | 5,335 | 7,087 | 2,801 | 34,357 |
| Scenario L | 0 | 12,324 | 5,338 | 3,187 | 7,087 | 4,452 | 33,463 |
| Change in VMT (net) | -394 | | -497 | | | | -891 |

1/ Conventional Semitrailer Combinations and Single Units

2/ "VMT" = Vehicle Miles Traveled
Will not total; Turnpike Doubles and Triples omitted for presentation

SOURCE: Dominic Maio, Transportation System Center, U.S. Department of Transportation, Cambridge, MA.

DOT translated "loaded miles eliminated" (see change in vehicle miles traveled (VMT) of 394 million miles for weight limited vehicles, Table II) to "total miles eliminated" by assuming 32 percent empty miles. There is no basis for this empty mileage assumption. The Interstate Commerce Commission (ICC) found an empty mileage rate of 20 percent for all traffic.[1] This alone inflates the DOT estimate by 9 percent.

Further, DOT did not properly allocate miles saved among the six states having weight limits below 80,000 pounds gvw in 1981. Table II is a later modified version of Scenario F as presented in DOT's An Investigation of Truck Size and Weight Limits.[2]

Scenario F was based on the following assumptions:

- 65-foot twin trailers allowed on the Interstate and Primary System, nationwide; and
- 80,000 pound gvw limits allowed in Arkansas, Illinois, Missouri, Indiana, Mississippi, and Tennessee.

Scenario L in Table II supposedly assumes a 1982 base case while Scenario F has a 1981 base case (Indiana, Mississippi, and Tennessee changed their weight limits to 80,000 pounds in 1981).

In making the transition from Scenario F to Scenario L, DOT estimated that Indiana, Mississippi, and Tennessee contributed only 2 percent toward the productivity savings of the original six barrier states in 1981. However, as indicated in Table III, the three states that changed their limits in 1981 accounted for 53 percent of the saved miles:

---

[1] U.S. Interstate Commerce Commission, Bureaus of Economics and Operations, Empty/Loaded Truck Miles on Interstate Highways During 1976, April 1977, p. 6.

[2] An Investigation of Truck Size and Weight Limits. report to the Secretary of Transportation to the U.S. Congress pursuant to Section 161 of P.L. 95-599 of the Surface Transportation Assistance Act of 1978, April 1981.

## TABLE III

## STATES NOT ALLOWING 80,000 POUNDS GVW, 1981-1982

## MILES SAVED FROM INCREASED WEIGHTS

| State | Estimated State Heavy Truck Miles (73,280 lbs. gvw) (millions) | Potential Heavy Truck Miles (80,000 lbs. gvw) (millions) | Savings in Miles (millions) |
|---|---|---|---|
| IN | 1,998 | 1,928 | 70 |
| MS | 699 | 660 | 39 |
| TN | 1,428 | 1,375 | 53 |
| Total change, 1981 | 4,125 | 3,963 | 162 |
| AK | 766 | 740 | 26 |
| IL | 2,517 | 2,441 | 76 |
| MO | 1,347 | 1,303 | 44 |
| Total change, 1981-82 | 8,755 | 8,447 | 308 |

SOURCE: Roger W. Kolins and Regina T. Selva, "Potential For Conserving Fuel Through Modern Truck Size and Weight Regulations," Issues in Truck Sizes and Weights, Techincal Report, TSW-81-1, American Trucking Associations, Inc., 1981, Table II.

The ATA estimate with adjustments for miles saved is as follows (note that the average cost-per-mile is based on an ATA estimate of \$1.706/mile,[1] while DOT's average cost is \$1.60/mile[2]):

---

[1] Regina T. Selva and Roger W. Kolins, "The Impact of Gross Vehicle Weights on Line-Haul Trucking Costs: 1981 and 1985," Issues in Truck Sizes and Weights, Technical Report, TSW-81-3, American Trucking Associations, Inc., 1981. Average cost-per-mile of \$1.458 in 1981 for trucking in general is estimated from Diagram 10-2 and inflated to \$1.706 in 1985 using an annual inflation rate of 4 percent [from Current Budget Estimates, Office of Management and Budget, April 12, 1983]. DOT used an inflation rate of 5 percent for 1980-85.

[2] $\frac{\$830 \text{ million}}{[394 \text{ million miles} \times 1.32]} = \$1.60/\text{mile}$

- DOT estimate of loaded miles saved:[1]

  394 million miles

- Total miles saved (20 percent empty mile rate):

  (394 million miles) (1.2) = 473 million miles

- Total miles saved adjusted for the three weight barrier states which changed their laws in 1981:

  (473 million miles) (.47)[2] = 222 million miles

- Total productivity savings: (1985 dollars)

  (222 million miles) ($1.706/mile) = $379 million

In summary, ATA estimates that total savings from elimination of weight barrier states, based on DOT data, will in fact be $379 million, not $830 million as claimed by DOT.

SAVINGS FROM PERMITTING WESTERN DOUBLES IN THE EAST

The following factors contributed to DOT's overestimate of productivity savings from the nationwide use of Western Doubles:

- DOT overestimated relevant cost-per-mile
  - DOT assumed all expense categories would be equally impacted by a move to Western Doubles. Some carrier costs will not be affected.
- DOT overestimated total miles impacted by 24 percent
  - DOT translated 'loaded miles eliminated' to 'total miles eliminated' by assuming 32 percent empty miles. The ICC found an empty mileage rate of 10 percent for general freight traffic.[3]

---

[1] See Table II.

[2] See Table III -- percent miles saved by AK, IL, and MS.

[3] ICC Empty/Loaded Study, op. cit.

ATA[1] estimated a reduction in vehicle miles of 509 million accruing from the nationwide use of Western Doubles. DOT estimated 497 million would be saved.[2] Thus, based on a reasonable empty mileage factor, ATA and DOT are in relative agreement on miles saved.

The following estimate, based on the DOT mileage results, is derived when the above discussed errors are corrected:

- DOT estimate of loaded miles saved:

  497 million miles
- Total miles saved (10 percent empty mile rate):

  (497 million miles) (1.10) = 547 million miles
- Total productivity savings: (1985 dollars)

  (547 million miles) ($2.68/mile)[3] = $1,466 million

While the total miles saved is not substantially different, the cost savings are. DOT used a higher empty mileage rate of 32 percent and a substantially higher average cost-per-mile of travel of $4.65. As a result, the DOT estimate of $2,310 million savings from nationwide use of doubles is 37 percent higher than a more reasonable estimate of $1,466 million.

---

[1] Roger W. Kolins and Regina T. Selva, "Potential For Conserving Fuel Through Modern Truck Size and Weight Regulations," Issues in Truck Sizes and Weights, op. cit.

[2] See Table II.

[3] 1981 Financial and Operating Statistics, American Trucking Associations, Inc. Components of total cost impacted by increased cubic capacity include linehaul, pick-up and delivery, platform, terminal and maintenance. The adjusted cost-per-mile of $2.29 was inflated by 4 percent per year (from Current Budget Estimates) to 1985.

## SAVINGS FROM INCREASED LENGTHS AND WIDTHS

The weight and Western Doubles savings were derived from DOT's computer simulation model. However, because length and width changes had not been considered in DOT's original truck size and weight analysis, the incremental impact of allowing 46- and 28-foot trailer lengths and 102-inch widths[1] was estimated by the DOT using a "back-of-the-envelope" technique. The basis of the DOT estimates, as explained to ATA, is as follows:

A. The traffic impacted was "intuitively" derived from Table II with the results appearing in Table IV:

TABLE IV

TRAFFIC AFFECTED BY INCREASED LENGTHS AND WIDTHS

1985 Loaded Vehicle Miles Traveled (millions)

| | | |
|---|---|---|
| • Conventional Semis | | |
| | General Commodity (LTL) | 3,187 |
| | Other Low Density (TL) | 3,239 |
| | Partial Truckload | 2,252 |
| | TOTAL | 8,678 |
| • Western Doubles | | 4,452 |

DOT assumed that by 1985, 50 percent of these loaded miles would benefit from the extra capacity. DOT only considered loaded miles in their estimate (i.e., they failed to make the conversion to total miles).

B. Using cost-per-linehaul-mile estimates of $2.26 and $2.42 for semis and doubles, respectively, the following dollar savings estimates were derived by DOT:

---

[1] Sixty-five foot twin trailer combinations consisting of two 28-foot or 28½-foot trailers pulled by standard tracters were used extensively in the Western states prior to passage of STAA. Removal of the overall length limit simply makes this combination possible with a conventional tractor. DOT, however, assumed a base case of 27 feet for Western Double combinations. The ATA estimate does not correct for this assumption and is, therefore, conservative.

## TABLE V

## COST SAVINGS FROM INCREASED LENGTHS AND WIDTHS

(millions of 1985 dollars)

| | Length | Width |
|---|---|---|
| Semis | $653[1] | $612[3] |
| Doubles | $198[2] | $336[4] |
| TOTAL | $851 | $948 |

---

[1] $[(8{,}678 \times 10^6)(.5)(3/45)]\ 2.26 = \$653 \times 10^6$

[2] $[(4{,}452 \times 10^6)(.5)(2/54)]\ 2.42 = \$198 \times 10^6$

[3] $[(8{,}678 \times 10^6)(.5)(6/96)]\ 2.26 = \$612 \times 10^6$

[4] $[(4{,}452 \times 10^6)(.5)(6/96)]\ 2.42 = \$336 \times 10^6$

There is no reason that partial truckload carriers would benefit from the increased capacity. Furthermore, DOT's assertion that by 1985, 50 percent of those miles which would be impacted by the increased capacity will benefit 100 percent of the time is unreasonable in today's economic environment.

ATA is convinced the percentage of miles which will benefit from the increased capacity will be much less. A more reasonable estimate can be derived as follows:

Assumptions:

- 1/7 of the fleet will be replaced each year (7-year useful trailer life);
- only 90 percent of extra capacity will be realized; the approximate industry load factor is 90 percent; 1/
- new replacement trailers will be favored in equipment selection decisions; the average number of miles traveled will be 20 percent higher than for those replaced; and
- total system miles will be impacted; therefore, loaded miles are converted to total miles in calculating the productivity savings.

General Calculations:

$$\begin{matrix}\text{Miles}\\ \text{Reduced}\end{matrix} = \begin{bmatrix}\text{Susceptible}\\ \text{Miles}\end{bmatrix}\begin{bmatrix}\text{Percent Miles}\\ \text{Impacted}\end{bmatrix}\begin{bmatrix}\text{Percent Extra}\\ \text{Capacity}\end{bmatrix}$$

Where,

$$\begin{matrix}\text{Percent}\\ \text{Miles}\\ \text{Impacted}\end{matrix} = \left[\frac{1}{\begin{pmatrix}\text{\% capacity}\\ \text{loaded}\end{pmatrix}\begin{pmatrix}\text{extra}\\ \text{capacity}\end{pmatrix}}\right]\begin{bmatrix}\text{increase new}\\ \text{equipment}\\ \text{average miles}\end{bmatrix}\begin{bmatrix}\text{\% fleet}\\ \text{new equipment}\\ \text{(2 years)}\end{bmatrix}$$

---

[1] This phenomena is discussed in Roger W. Kolins' "Truck Size and Weight Limits: Their Impact on the General Freight Common Carrier Costs and Market," Transportation Research Board Proceedings, 1977. General freight industry average estimated at 90 percent from unpublished survey results.

From Selva and Kolins, the appropriate costs are 176.7 cents-per-mile and 179.4 cents-per-mile for general freight semis and doubles, respectively. Table VI provides the calculations and results, given the adjusted inputs. It also demonstrates that using reasonable estimates of probable fleet replacement and of costs-per-mile saved, the total savings in 1985 from increased trailer length will only be $366 million, not $850 million as assumed by DOT. Savings from increased width will total only $418 million in 1985, not $950 million.

## III. TOTAL PRODUCTIVITY BENEFITS ACCRUING TO THE TRUCKING INDUSTRY FROM STAA -- ATA vs. DOT

Based on all of the factors, ATA concludes that the actual 1985 benefits from STAA are $2,629 million. (See Table VII.)

TABLE VII

ESTIMATES OF NET PRODUCTIVITY SAVINGS
FROM SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982
1985
($ millions)

| PRODUCTIVITY SAVINGS | DOT | ATA |
|---|---|---|
| Eliminate "barrier state" weight limits | $ 830 | $ 379 |
| Allow Western Doubles in East | 2,310 | 1,466 |
| Increase trailer lengths | 850 | 366 |
| Increase trailer widths | 950 | 418 |
| SUBTOTAL | $4,940 | $2,629 |
| INCREASED TAXES | -1,700 | -1,800 |
| NET BENEFIT | $3,240 | $ 829 |

## TABLE VI

## PRODUCTIVITY SAVINGS FROM INCREASED WIDTH AND LENGTH

### ATA ESTIMATE

| Vehicle Type | Change | Susceptible Miles (millions) | Percent Miles Impacted | Extra Capacity | Total Miles Reduced 1/ (millions) | Cost-Per-Mile (cents) | Productivity Savings (millions) |
|---|---|---|---|---|---|---|---|
| Semi-trailer | 45 to 48 feet | 6,426 | $\left[\frac{1}{(.9)(1.067)}\right]\left[1.2\right]\left[.28\right] = .35$ | .9(3/45) = .060 | 148 | 176.7 2/ | $262 |
| | 96 to 102 inches | 6,426 | $\left[\frac{1}{(.9)(1.0625)}\right]\left[1.2\right]\left[.28\right] = .35$ | .9(6/96) = .056 | 139 | 176.7 2/ | $246 |
| Doubles | 27 to 28 feet | 4,452 | $\left[\frac{1}{(.9)(1.0370)}\right]\left[1.2\right]\left[.28\right] = .36$ | .9(2/54) = .033 | 58 | 179.4 3/ | $104 |
| | 96 to 102 inches | 4,452 | $\left[\frac{1}{(.9)(1.0625)}\right]\left[1.2\right]\left[.28\right] = .35$ | .9(6/96) = .056 | 96 | 179.4 3/ | $172 |
| | | | | | | TOTAL | $784 |

1/ Assumes general freight empty mileage factor of 10%.

2/ 151.0¢/mile in 1981; @ 4% annual inflation, 176.7¢/mile in 1985, from "Impact of Gross Vehicle Weights," p. 130.

3/ 153.3¢/mile in 1981; @ 4% annual inflation, 179.4¢/mile in 1985, from "Impact of Gross Vehicle Weights," p. 130.

The ATA estimates are based on historic industry replacement factors and reasonable expectations of replacement action by 1985 based on industry finances and trailer industry capacity. Operating costs for 1981 are derived from actual ICC records and inflated by 4 percent per year to 1985. As a consequence, a reasonable estimate of savings versus tax increases is only $829 million.

This leaves perilously little net benefits for an industry which has suffered severe financial blows since 1980. Since these savings estimates are tentative, at best, and subject to full implementation of the size and weight changes in all states, the huge increase in federal taxes may easily exceed the actual benefits by 1985.

Further, motor carriers have incurred many large increases in state highway user taxes. For example, in Pennsylvania, out-of-state based truckers paid $2 per vehicle fee in 1977. Last year that fee increased to $25 and this year a new $35 per axle tax was enacted causing a further increase of $180 annually on all out-of-state vehicles -- regardless of the number of miles traveled in Pennsylvania. Fleet operators in Maryland used to pay $5 per fleet. This year they are paying $25 per truck, again, regardless of the number of miles traveled. In Illinois, all trucks will pay a 20 percent increase in registration fees and face a 6¢ increase in the state's 7½ cents diesel fuel tax. State highway user taxes will undoubtedly overwhelm the small increase in productivity benefits for the trucking industry by 1985.

Attachment II

ADDITIONAL COMMENTS OF THE

AMERICAN TRUCKING ASSOCIATIONS, INC.

on the

DEPARTMENT OF TRANSPORTATION'S

Working Paper

of the

ALTERNATIVE HEAVY TRUCK USE TAX STUDY

FHWA DOCKET NO. 83-8

September 30, 1983

## OVERVIEW

The National Accounting & Finance Council (NAFC) of the American Trucking Associations, Inc. (ATA) has conducted a direct mail survey of its members to ascertain the direct and indirect costs associated with a proposed federal weight-distance tax on motor vehicles, as defined by the DOT working paper.

The NAFC is an organization within ATA which represents some 1,400 accounting and financial executives in the motor carrier industry. These executives represent motor carriers of all revenue and fleet sizes as well as all types of operations throughout the United States and Canada.

The NAFC maintains working relationships and serves as liason for its members, with various financial and accounting entities affecting the trucking industry. These include the Financial Accounting Standards Board, Internal Revenue Service, Interstate Commerce Commission, Securities and Exchange Commission and others. Clearly, our members are very familiar with the federal and state taxation issues and represent a sizeable segment of the motor carrier industry.

This survey was developed primarily to analyze the costs associated with a federal weight distance tax considered to be "most feasible" by the DOT working paper, Alternative Heavy Use Tax Study.

The results of this survey are offered as an addendum to the ATA response to the DOT preliminary study and should be considered as an integral part of that document.

### Sample Surveyed

NAFC surveyed 866 member motor carrier companies, to which 188 responded. Of this sample, 31 were deleted*. Thus, the analyses shown and conclusions drawn are based on a sample of 157 carriers which represents an 18% return of the population polled.

---

* Twenty-nine questionnaires were returned incomplete and two stated astronomical costs which would have skewed the results. It is important to note that carriers estimating a very low administrative cost associated with compliance were not deleted.

Survey Data and Assumptions

Information gathered from each carrier included the following:

- Gross revenue for 1982
- Method of complying (manually or computerized) with current Federal Highway Use Tax (FHUT)
- Method of complying (manually or computerized) with state weight/distance taxes
- Total number of vehicles registered over 33,000 lbs. gross vehicle weight
- Estimated cost to comply with current federal highway use tax
- Estimated cost to comply with a federal weight-distance tax

Since the DOT proposal did not discuss the particulars of a federal weight-distance tax, each carrier was requested to make the following assumptions in computing estimated compliance costs:

1. Four quarterly returns per year would be required to be filed with IRS
2. Certain information would be required on the return:
   a. number of vehicles by weight category
   b. miles traveled by vehicles in each weight category
   c. tax computation using respective tax rate and miles traveled in each weight category
3. Due date for each return would be 30 days after the end of calendar quarter period
4. Each taxable vehicle would require some sort of identification document inside or outside the cab

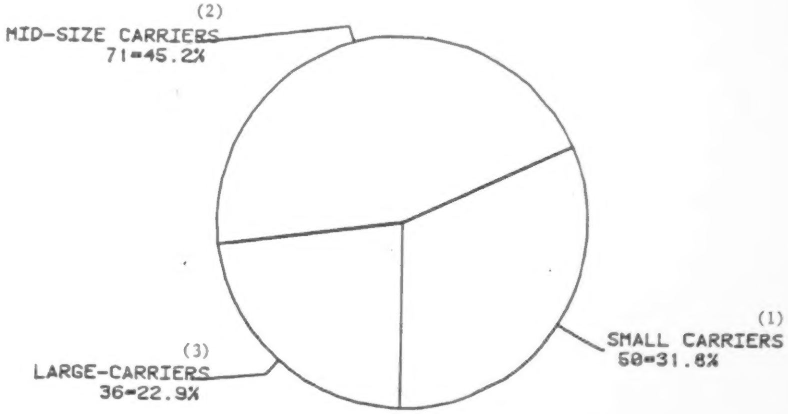
Given these assumptions, each carrier estimated the administrative cost of compliance for the current federal highway use tax (FHUT) and the proposed federal weight-distance tax (FWDT). Each carrier had to consider their own facts and circumstances. Compliance costs were stated in terms of dollars per year; and consideration was given to, but not limited to, costs incurred for (1) clerical and supervisory time required for data accumulation, preparation and review of the returns; (2) computer program maintenance (where applicable), mileage system maintenance, and equipment needs; (3) clerical and supervisory time required for filing applications and placement of vehicle identification documents; and (4) costs related to owner-operator payments and compliance (where applicable).

## SURVEY RESULTS

### Size of Carriers Sampled

The chart below illustrates 32% of the sample reported 1982 gross revenues below $10 million.* Forty-five percent (45%) reported revenues of $10 to $50 million, and 23% reported gross revenues of $50 million or more. The carriers sampled operate over 70,000 vehicles registered over 33,000 lbs.

CARRIER SAMPLE MAKE UP



(1) Revenues less than $10 million

(2) Revenues $10 million - $50 million

(3) Revenues $50 million or more

---

* The Small Business Administration (SBA) defines a small business as one with gross revenues less than $7 million. Presently, the SBA is proposing to increase this level to $12 million. For purposes of this survey, a compromise of $10 million was used for the purposes of comparing small trucking companies with mid-size and larger carriers.

## Method of Complying With Federal Highway Use Tax

For purposes of complying with the current FHUT, carriers were asked if records were kept manually, on computer or maintained by an outside service.

As illustrated below, the majority of carriers maintain their records for compliance with the FHUT on a manual basis.

This information by revenue classes indicates that the majority of small and mid-size carriers keep records on a manual basis for purposes of FHUT. However, fifty percent (50%) of the larger carriers responded that their records are computerized.

### Breakdown of Compliance Method By Revenue Size for FHUT

PERCENTAGES

| | Manual | Computer | Outside Service | Combination | N/A* | Total |
|---|---|---|---|---|---|---|
| Small (less than $10 M) | 74.0 | 16.0 | 0 | 6.0 | 4.0 | 100.0 |
| Mid-Size ($10-$49.9 M) | 62.0 | 26.8 | 1.4 | 9.9 | 0 | 100.0 |
| Large ($50 M +) | 27.8 | 50.0 | 0 | 22.2 | 0 | 100.0 |
| ALL CARRIERS | 58.0 | 28.7 | 0.6 | 11.5 | 1.3 | 100.0 |

Note: Percentage may not add exactly to 100% due to rounding

---

*Those carriers responding not applicable indicated that they use owner-operators who are responsible for compliance with the tax.

## Method of Complying With State Weight-Distance Taxes

Carriers were asked what method was used for compliance with state weight-distance taxes. It is important to note that only 20% of the states have such a tax, none of which mirrors the proposed federal weight-distance tax.

As shown in the chart below, a larger number of small carriers comply on a computerized basis for state weight-distance taxes compared to those complying with the FHUT. Mid-size and large firms are generally forced to use computers or a combination of methods for compliance purposes.

This finding suggests that a federal weight distance tax would require significantly more automation costs for compliance, especially for smaller and medium size companies, than is presently required for compliance with the FHUT.

### Breakdown of Compliance Method By Revenue Size for State Weight-Distance Taxes

PERCENTAGES

| | Manual | Computer | Outside Service | Combination | N/A* | Total |
|---|---|---|---|---|---|---|
| Small (less than $10 M) | 58.0 | 28.0 | 0 | 8.0 | 6.0 | 100.0 |
| Mid-Size ($10-$49.9 M) | 22.5 | 62.0 | 2.8 | 11.3 | 1.4 | 100.0 |
| Large ($50 M +) | 11.1 | 55.6 | 2.8 | 27.8 | 2.8 | 100.0 |
| ALL CARRIERS | 31.2 | 49.7 | 1.9 | 14.0 | 3.2 | 100.0 |

---

*Carriers indicating not applicable, do not operate in states having weight-distance taxes.

## Compliance Cost Per Truck

Using the survey information and cross tabulations, it was determined that the majority of small motor carriers currently incur about $15 per truck in administrative cost for purposes of complying with the FHUT. If a federal weight-distance tax were enacted, this "hidden tax" would jump to $102 per truck, which translates into a 590% increase.

A mid-size carrier currently incurs approximately $12 per truck in administrative costs to comply with the current FHUT. This would compare to an estimate of $52 per truck or a 330% increase for a federal weight distance tax.

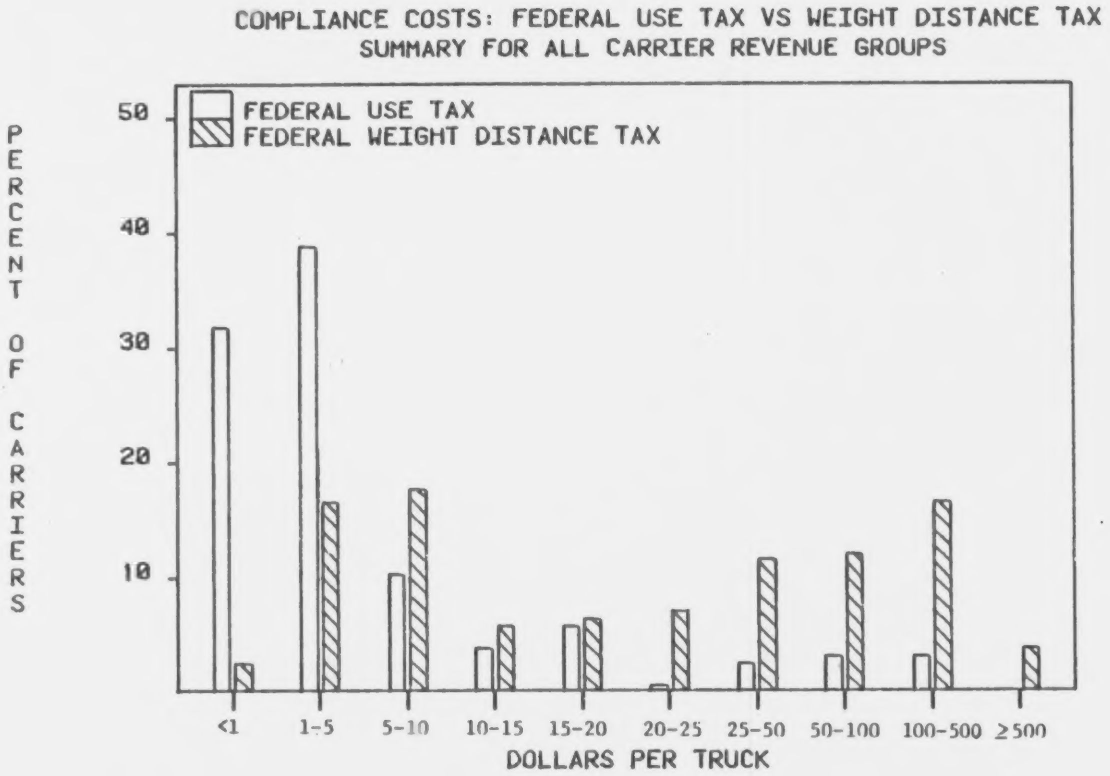
A large carrier presently incurs approximately $3.50 per truck to comply with the current FHUT, as compared to nearly $13.50 per truck for a federal weight-distance tax or 290% more.

Clearly, a federal weight distance tax would substantially increase the compliance cost for all carrier revenue groups.

Exhibits 1 through 4 illustrate the compliance cost for the federal use tax compared to a weight-distance tax, summarized for all carrier revenue groups and broken down for each revenue group. Notice that for each revenue group the compliance cost for most carriers is less than $5 per truck. The impact of a weight distance tax widens the range of cost per truck putting an additional burden among all carriers.

Exhibits 5 and 6 highlight the effect of each tax among all three revenue groups. Currently, all carriers incur relatively low compliance costs for the use tax; however, the impact of a federal weight-distance tax would be felt significantly by carriers with revenues less than $50 million, with particular effect on the smaller carriers under $10 million.

Exhibit 1

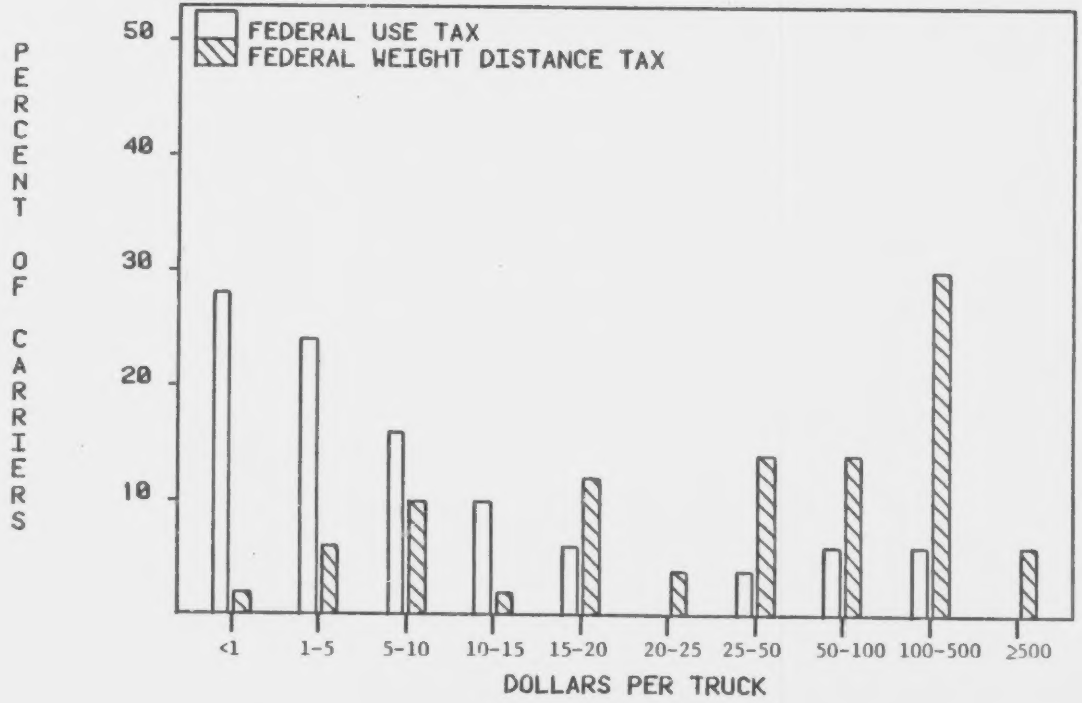


COMPLIANCE COSTS: FEDERAL USE TAX VS WEIGHT DISTANCE TAX
SUMMARY FOR ALL CARRIER REVENUE GROUPS

A proposed federal weight distance tax would cost significantly more per truck for a larger percent of the carriers surveyed than the current federal highway use tax.

Exhibit 2

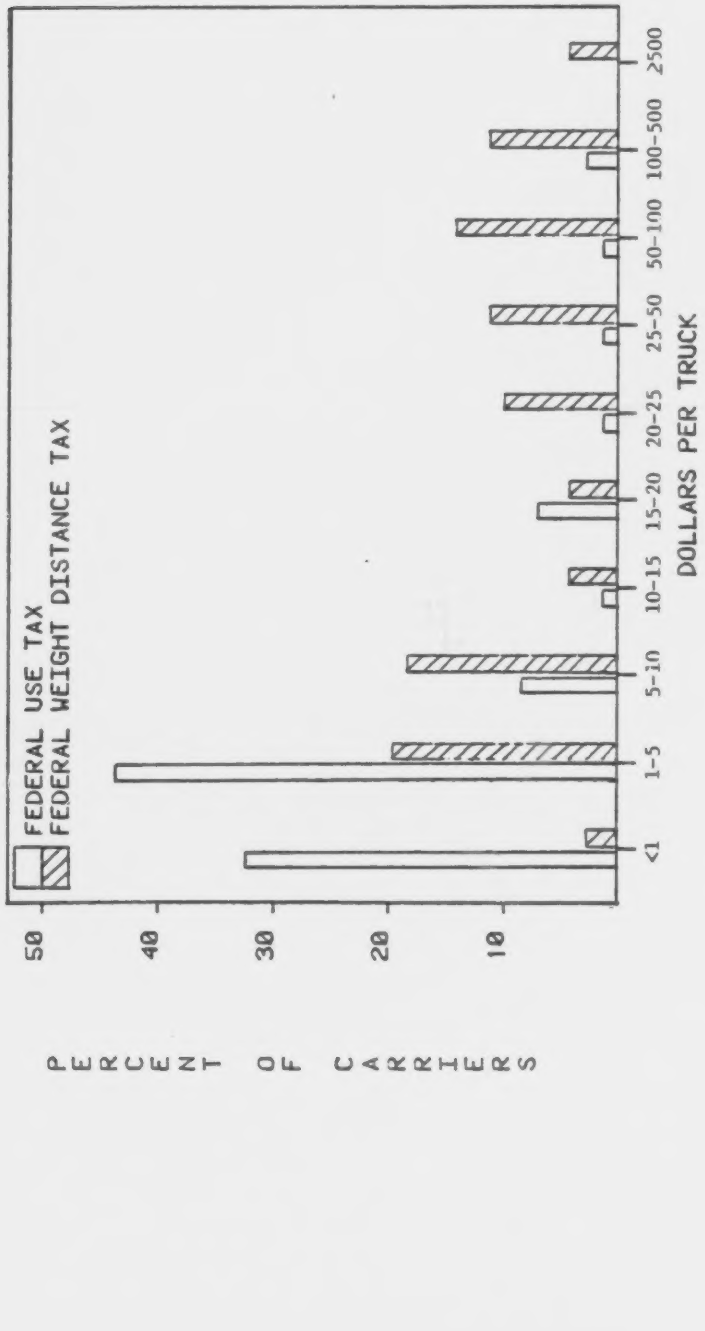
COMPLIANCE COSTS: FEDERAL USE TAX VS WEIGHT DISTANCE TAX
CARRIERS WITH REVENUES LESS THAN $10 MILLION



Smaller carriers in particular would be severely impacted by a new federal weight distance tax since a large percentage of them would pay more per truck than under the federal highway use tax.

Exhibit 3

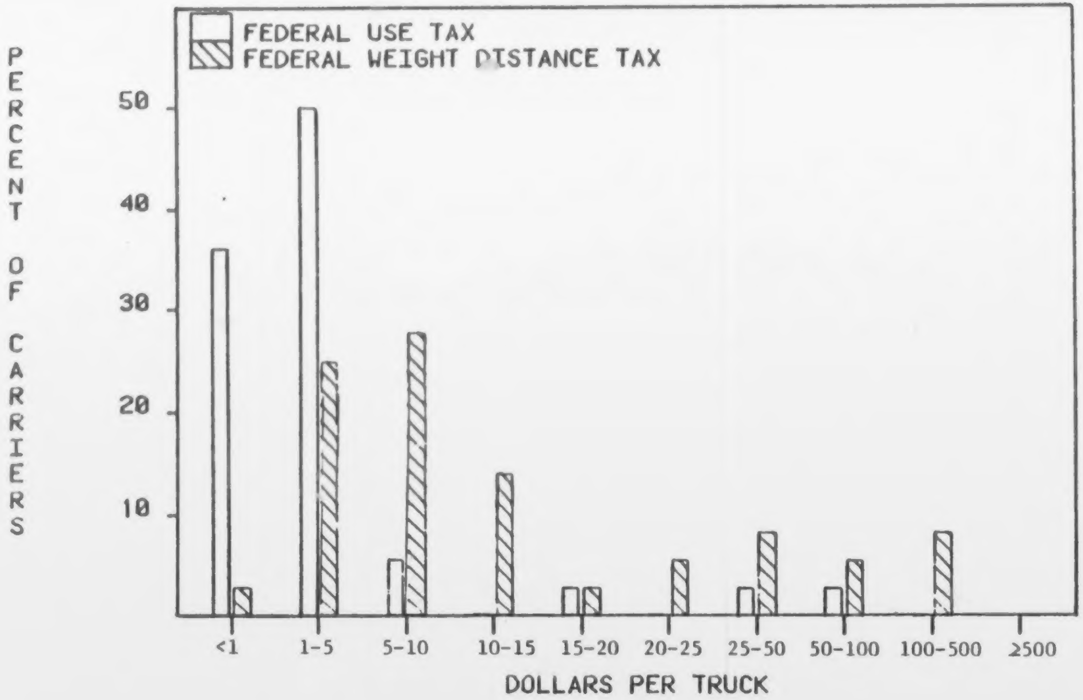
COMPLIANCE COSTS: FEDERAL USE TAX VS WEIGHT DISTANCE TAX
CARRIERS WITH REVENUES $10 MILLION - $50 MILLION



Medium size carriers would also be significantly affected in terms of cost per truck.

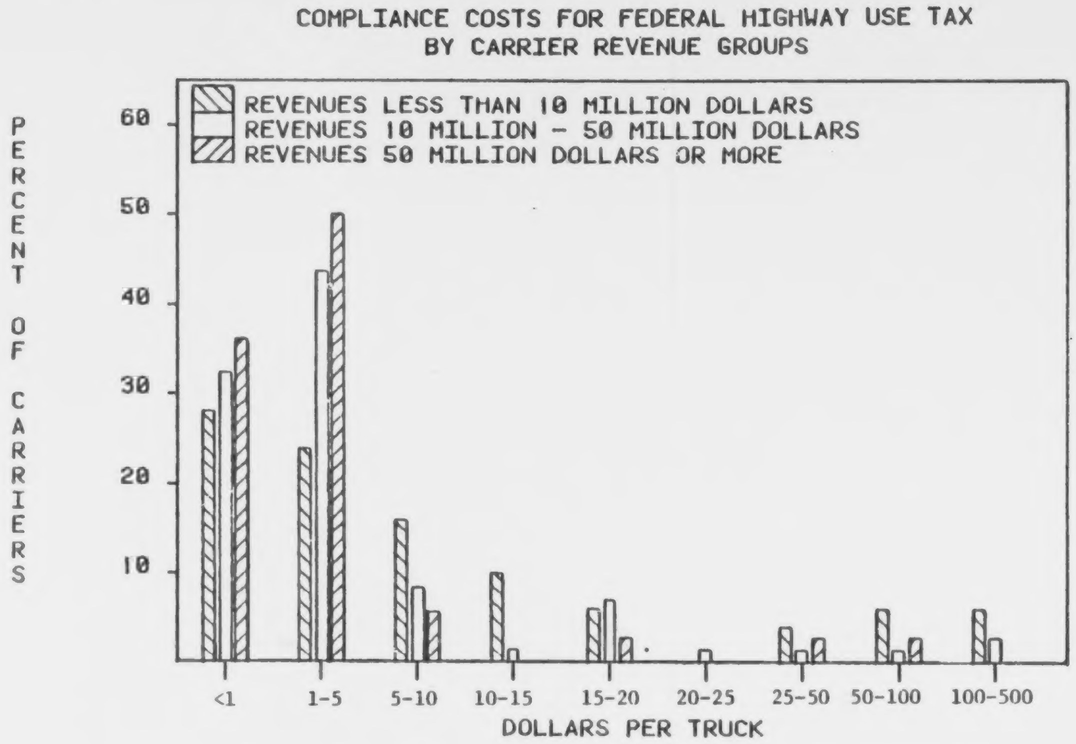
Exhibit 4

COMPLIANCE COSTS: FEDERAL USE TAX VS WEIGHT DISTANCE TAX
CARRIERS WITH REVENUES $50 MILLION OR MORE



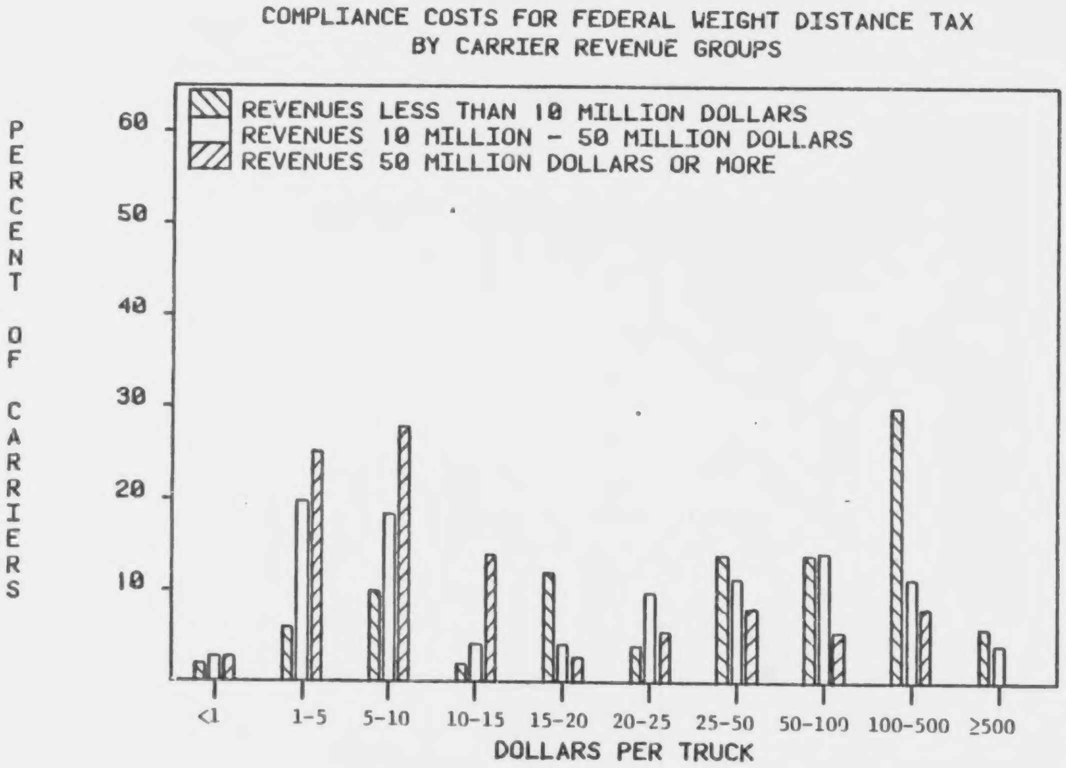
Larger motor carriers would still be affected, but much less than the smaller or medium sized carriers.

Exhibit 5



Compliance costs of the present federal highway use tax is very low for all three revenue groups.

Exhibit 6



COMPLIANCE COSTS FOR FEDERAL WEIGHT DISTANCE TAX
BY CARRIER REVENUE GROUPS

Compliance cost of a proposed federal weight distance tax is much higher for all revenue groups, in particular the smaller motor carriers.

## CONCLUSION

In summary, a federal weight-distance tax would impose an unjustifiable and prohibitive administrative burden on the motor carrier industry.

Conclusions drawn from this survey clearly demonstrate that the heaviest burden to comply with such a tax would be borne by the small and medium size carriers, of which the majority are not sufficiently automated to comply with a federal weight-distance tax.

Our analysis can in no way be construed to support the present FHUT. On the contrary, we believe that the size of the FHUT is onerous and unfair as we have previously stated.

We merely are presenting the results of a survey which demonstrate how unprepared our industry is in terms of automation to comply with a federal weight-distance tax and how expensive such a tax would be on an industry already suffering from the ills of deregulation and recession.

We did not even attempt to define the problems and administrative costs that would occur for the Department of Treasury in administering a federal weight distance tax. Obviously, at a minimum, a uniform mileage system would have to be developed, a system to deter evasions would be required and a sizable bureaucracy for collection and administration would evolve. Certainly, this runs counter to the Administration's desire to curb excess spending and bureaucratic red-tape.

We continue to support wholeheartedly a diesel differential concept for a fair and equitable highway tax vehicle and offer it as the only viable alternative to the present FHUT. The administrative costs would be minimal, the enforceability much more reliable and the burden of the tax would be spread on a fair and equal basis.

Attachment III

Distributed - Meeting of MAR 83

Number 8

February 7, 1983

# MEMORANDUM

TO: Will Johns

FROM: Vic Suski

SUBJECT: Cost of Splash and Spray Suppressant Devices

1. The purpose of this memo is to estimate the cost of Section 414 of the Highway Bill using data developed under NHTSA Contract DTNH 22-80-07307, "Heavy Duty Truck Splash and Spray Reduction." Our initial "blue book" estimate of the cost to outfit the affected vehicle population was approximately 3 billion dollars for the 3 year compliance period.

2. Under the NHTSA contract, installation and life cycle costs were monitored. Using that data an updated cost estimate was prepared (attached). This indicates total costs to the industry, over the life of the affected vehicles, is over 7 billion dollars and the cost for the initial 3 year compliance period would be approximately $3 billion. It will cost about $1 billion annually to operate the fleet, due to hauling the added weight of the devices and maintaining them and their installation hardware. It should be noted that all the costs calculated in the attachment are in addition to what we already pay for conventional mudguards and hence represent costs due solely to the purchase and use of spray suppressant flaps and skirts.

## CALCULATIONS

Assumptions

1. Number of tractors affected by law is 1,215,000.[1/]
2. There are 2 single trailers per tractor so that each trailer travels ½ the miles that the tractor does.
3. There are three doubles per tractor, each traveling 1/3 the miles the tractor does.
4. Tractor mileage is 100,000 miles annually.[2/]

Data

1. Cost to equip each trailer with rear flaps and side skirts at the front of the trailer is:

| | | |
|---|---|---|
| a) | cost of devices @ $465[3/] + interest | $534.75 |
| b) | Installation cost[4/] | 173.75 |
| | | $708.50 |

2. Cost to equip tractors with flaps behind front axle and drive axle(s), is:

| | | |
|---|---|---|
| a) | cost of devices @ 40.50 + interest[5/] | $ 46.57 |
| b) | excise tax @ 12% | 4.86 |
| c) | Installation cost[6/] | 113.75 |
| | | $165.36 |

3. Maintenance Cost for trailers is $0.00127 per mile[7/]. Cost of displaced cargo and fuel penalty due to added weight of 170 lbs.[8/] is $187[9/] annually. Over 100,000 mi. this is $.00187 mi. Hence total cost to operate trailers is $0.00314 per mile.
4. Maintenance cost for tractors is $0.00099/per mile.[10/]

Case 1. Single trailers only in use.

Cost to outfit 1,215,000 tractors and 2,430,000 trailers is:

1,215,000 x $165.36 = $200,912,000

and 2,430,000 x $708.50 = $1,721,655,000

Cost to operate the above, over the life of the equipment is:

Assuming 5 year tractor life and 10 year trailer life:

$1{,}215{,}000 \times 2 \times 99 \times 5 = \$1.202$ billion

$2{,}430{,}000 \times \frac{314}{2} \times 10 = \$3.815$ billion

Total Cost = 6.938 or approximately $7 billion.

Case 2. Assuming 75% of the trailer fleet is made up of doubles - i.e. 75% c the tractors pull doubles:

a) Conventional $303{,}750 \times 165.36 + 303{,}750 \times 99 \times 2 \times 5 = 0.350$ billion

$607{,}500 \times 708.50 + 607{,}500 \times \frac{314}{2} \times 10 = 1.383$ "

b) Doubles $911{,}250 \times 165.36 + 911{,}250 \times 99 \times 5 \times 2 = 1.052$ "

$911{,}250 \times 3 \times 708.50 + 911{,}250 \times 3 \times \frac{314}{3} \times 10 = 4.796$ "

$ 7.58 billion

Case 3. Assuming 90% of the tractors pull doubles:

a) Conventional $121{,}500 \times 165.36 + 121{,}500 \times 99 \times 5 \times 2 = .139$

$243{,}000 \times 708.50 + 243{,}000 \times \frac{314}{2} \times 10 = .553$

b) Doubles $1{,}093{,}500 \times 165.36 + 1{,}093{,}500 \times 99 \times 5 \times 2 = 1.262$

$1{,}093{,}500 \times 708.50 + 1{,}093{,}500 \times \frac{314}{3} \times 10 = 5.755$

$7.709

Cost for the first three years based on annual sales of tractors and trailers, from Taylor and Ludke "Design and Cost Analysis of Truck/Trailer Rear Underride Guard," and assuming 90% of these will be used on the Interstates.

Cost over the first two years, assuming annual trailer sales of 213,000 and annual tractors sales of 105,300 would be: Initial cost to outfit vehicles -

213,300 x 2 @ $708.50 = $301,821,000

105,300 x 2 @ $165.36 = $ 34,726,000

$336,547,000

| | |
|---|---|
| Operating Cost | |
| Trailers - 1st yr 213,300 @ $314 per year | $ 66,882,000 |
| 2nd yr 426,000 @ $314 per year | 133,952,400 |
| Tractors - 1st yr 105,300 @ $99.00 = | 10,424,700 |
| 2nd yr 210,600 @ $99.00 = | 20,849,400 |
| | $232,108,500 |

Cost for the third year would be due to outfitting the remainder of the affected vehicles, or 1,004,000 tractors and 2,350,000 trailers.

| | |
|---|---|
| Trailers 2,350,000 @ $708.50 = | $1,664,975,000 |
| 2,350,000 @ $314.00 = | 737,900,000 |
| Tractors 1,004,000 @ $165.36 = | 166,021,000 |
| 1,004,000 @ $ 99.00 = | 99,396,000 |
| | $2,668,292,000 |

| | |
|---|---|
| Total Cost, 3 year compliance period = | $2.66 billion |
| | .33 billion |
| | .23 billion |
| | $3.22 billion |

Annual cost is approximately $3.22 billion divided by three equals $1.07 billion.

## FOOTNOTES

1/ There are a number of estimates of the number of truck tractors. We have consistently made use of the number 1,349,228 for class 7 and 8 tractors, from Taylor & Ludke in "Design and Cost Analysis of Truck/Trailer Rear Underride Guards," Corporate Tech. Planning, Inc., March 1980. Also, the University of Michigan Transportation Research Institute (UMTRI) estimated the population of class 6,7, & 8 Heavy duty trucks to be 1,100,000 class 8 and 1,150,000 class 6 and 7 in their report on "Retarders for Heavy Vehicles: Evaluation of Performance Characteristics and In-Service Costs." Feb,,1981. Both investigators cite as their source the 1977 Census of Transportation Truck Inventory and Use Survey. From comparison of the above estimate we judge 1,349,000 to be a reasonable estimate of the number of class 7 and 8 truck tractors in the population. If we assume 90% of these vehicles use the Interstates then the affected tractor population is 1,215,000.

2/ Taken as industry average. Some larger fleets average over 150,000 miles per year.

3/ SAE paper 800529 "Truck Splash and Spray - Some Recent Results," David H. Weir, Systems Technology Inc, 1980. Weir gives $480. This less the $15 cost of a conventional pair of rear flaps equals $465.

4/ Report by LCL Transit at November 1982 meeting of the ATA Technical Advisory Group. Cost monitored for DOT contract purposes.

5/ Cost of conventional flaps taken as $14.50 per pair. Cost of suppressant flaps taken as $27.50 from actual cost per truck parts supply house. Then have 27.50 for added pair behind front axle plus 27.50-14.50 = $13 additional cost for rear flaps, for a total of $40.50 per tractor.

6/ Per LCL Transit report, above.

7/ Final Briefing by Systems Technology Inc., on NHTSA Contract DTHN22-80-07307, Dec, 1982.

8/ SAE paper 800529, above.

9/ Calculations are contained in "Cost of Truck Equipment Regulations," ATA Engineering Dept., Sept. 1, 1982.

10/ NHTSA Contract, above.

**PRIVATE TRUCK COUNCIL of AMERICA, Inc.**
2022 P STREET, N.W., WASHINGTON, D.C. 20036 202/785-4900

DON A. WILSON, President
The Southland Corp. Dallas, TX

BRUCE R. BIGLAND, Western V.P.
Union 76 Los Angeles, CA

DAVID D. RUPERT, Central V.P.
Anheuser Busch St. Louis, MO

WALTER L. WEYMOUTH, Eastern V.P.
GTE Products Co. Danvers, MA

ROBERT B. CARLSON, Southern V.P.
Tom's Foods Ltd. Columbus, GA

AUSTIN T. RHOADS, Treasurer
Int'l Assn/Ice Cream Mfrs. Washington, DC

BOARD OF DIRECTORS
E.E. ADAMS
Pet, Inc. St. Louis, MO
D.L. ARMSTRONG
Quality Bakers of Amer. Coop. Greenwich, CT
A.M. BODANE
Rheem Manufacturing Chicago, IL
W.J. BOURNE
Kraft, Inc. Chicago, IL
E.W. BRUNNER
Mack Trucks Allentown, PA
R. CARTWRIGHT
Crown Zellerbach San Francisco, CA
L.J. CELMINS
Armour Foods Co. Phoenix, AZ
R. CHADWICK
E.I. duPont Wilmington, DE
L. CREEKMUR
Ryder Truck Rental Miami, FL
B.L. CRISWELL
Kroger Food Stores Cincinnati, OH
*E.J. DEMPSEY
Dempsey Distrib. Consult. Birmingham, AL
R.C. EAKER, JR.
Lance, Inc. Charlotte, NC
D.L. EHRICK
J.I. Case Co. Racine, WI
J.R. ERWIN
The Stroh Brewery Co. Detroit, MI
R.F. FABER
Joseph T. Ryerson & Son Chicago, IL
F.J. FEIGL
Growmark, Inc. Bloomington, IL
R.F. GOLDEN
Air Products & Chemicals Conyers, GA
D.T. HALLORAN
Kmart Corp. Troy, MI
B.R. HARRISON
Willett Nationalease Hillside, IL
W.P. HARTIS, JR.
Milliken & Company Spartanburg, SC
D.E. HAZARD
Agway, Inc. Syracuse, NY
R.J. HURLEY
Westinghouse Electric Pittsburgh, PA
E.W. JENSEN
ITT Continental Baking Rye, NY
D.G. KELLY
The Continental Can Co. Oak Brook, IL
*T.V. KIMBALL
Liquid Air Corp. San Francisco, CA
R. LOPEZ
Jewel Co. Park Corp. Barrington, IL
C.R. LOWRY
Union Carbide Tarrytown, NY
J.H. MEYERS
Central Soya Co. Fort Wayne, IN
J.A. MIDDLETON
Hoover Universal Georgetown, KY
*W.J. MORGAN
Frito-Lay, Inc. Dallas, TX
G.F. NAEGER
Emerson Electric St. Louis, MO
P.M. PELLETIER
Beatrice Foods Chicago, IL
J.B. PETTIGREW
Dean Foods Co. Chicago, IL
R.F. RODA
Koppers Co. Pittsburgh, PA
J.G. SAREFIELD
Borden, Inc. Columbus, OH
H.L. SCHWARTZ
Mobil Oil Corp. Fairfax, VA
*T.R. STEPHENS
Oscar Mayer Foods Corp. Madison, WI
E.F. SZYMANSKI
Airco Industrial Gases Murray Hill, NJ

*Past President

RICHARD D. HENDERSON
Executive Vice President

CONNIE L. SEVERSON
Executive Assistant

RICHARD P. SCHWEITZER
Legislative Counsel

## TESTIMONY BEFORE THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

### SUMMARY

The Private Truck Council of America, representing the interests of approximately 1,500 corporations and over 2,000,000 trucks engaged in private carriage operations, has spent the last two years assessing the impact of increased federal user fees on the trucking industry.

The study included analysis of use tax increases (now incorporated in the Surface Transportation Assistance Act of 1982) and alternative measures implementing additional fuel taxes in lieu of a use tax. A membership survey on truck weight, population, and annual mileages produced a data base of almost 100,000 trucks; the results of the survey and analysis indicated that PTCA can endorse neither the STAA use tax schedule nor a 5¢ per gallon diesel differential.

As a result, PTCA developed its own tax proposal incorporating as a basis for tax liability both a proportional tax payment by truck weight, and an increased emphasis on fuel consumed. The PTCA plan is as follows:

1) a) STAA use tax schedules are eliminated;

   b) Vehicles 33,000 pounds and over but less than 55,000 pounds pay a use tax of $4 per thousand pounds;

   c) Vehicles 55,000 pounds and over pay a use tax equal to one-half of their 1988 STAA liability (maximum of $950 for an 80,000 pound vehicle);

   d) Vehicles traveling less than 5,000 miles annually are exempt.

2) A 2¢ per gallon diesel fuel differential is levied on all vehicles 10,000 pounds and over.

# TESTIMONY BEFORE THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

## I. INTRODUCTION

My name is Don Wilson. I am Distribution Systems Manager for the Dairy Group at The Southland Corporation in Dallas, Texas, and President of the Private Truck Council of America. With me today is our Executive Vice President, Richard Henderson, and our Legislative Counsel, Richard Schweitzer.

In 1983, private carriage accounted for 66% of all motor carrier traffic on our nation's highways.[1] The Private Truck Council of America represents the interests of approximately 1,500 corporations engaged in private carriage with over 2,000,000 trucks in operation. Our members include many Fortune 500 corporations as well as numerous smaller concerns.

PTCA is vitally concerned with ensuring that adequate funding is provided to revitalize the national highway transportation system. However, we are equally concerned that the fees instituted to generate these funds are equitably assigned to the various classes of highway users.

In this testimony we will discuss:

1) The impending use tax provisions of the Surface Transportation Assistance Act of 1982 (STAA) as well as the implementation of certain "productivity" measures under that act;
2) A current legislative proposal to replace the STAA use tax structure with an increased diesel fuel tax; and
3) The PTCA approach to equitable taxation, incorporating the benefits of each of the above plans.

As an alternative to the disproportionately burdensome use tax schedules of the STAA, PTCA analyzed the effect of a 5¢ per gallon increase in the diesel fuel tax. In April, 1983, we surveyed our membership on weight, mileage and truck population figures, and received a data base of almost 100,000 trucks. We have spent countless staff hours assessing the annual tax liability per truck

---

[1] *Fleet Owner Magazine*, January, 1984, Vol. 79, No. 1, p. 61.

continued . . .

and the total revenue generated by each plan. The result of our study was that we could not endorse either the existing STAA use tax schedules or a 5¢ diesel differential. We therefore have developed our own proposal for federal highway user fees.

## II. SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

When Congress set out in late 1982 to enact legislation raising revenue to rebuild the nation's highway system, the consensus was that those highway users most responsible for road deterioration should bear the brunt of reconstruction costs. Based on a somewhat controversial U.S. Department of Transportation cost allocation study delivered to Congress in 1982, under pre-1982 law heavy trucks (particularly combination vehicles of 75,000 pounds GVW) were not paying fuel taxes and user fees proportionate to their allocated share of pavement damage causation.

As a result Congress passed the Surface Transportation Assistance Act of 1982. In addition to raising motor fuel taxes from 4¢ to 9¢ per gallon and raising the taxes on truck tires, the STAA raised the heavy truck use tax from a straight scale of $3 per 1,000 pounds ($240 annually for an 80,000 pound vehicle) to a progressive scale increasing the rates for heavier trucks, requiring for the same 80,000 pound vehicle a fee of $1,600 in 1984 and $1,900 by 1988. In addition to the use tax, the STAA changed the thrust of the excise tax, increasing the tax burden on heavier vehicles. The tax rate rose from 10% to 12% while the threshold weight rose from 10,000 pounds GVW to 33,000 pounds for truck chassis and bodies and 26,000 pounds for trailer and semi-trailer chassis and bodies.

To compensate for the increased taxes, the STAA allowed 48 foot long, 102 inch wide semi-trailers, 28 foot long tandem trailers, and 80,000 pound combination vehicles on a "National Network" of interstate and designated federal-aid primary highways. According to statements made by the Department of Transportation during the legislative deliberations, the cost efficiencies of the new size, weight and tandem requirements would produce a tremendous net revenue gain for the trucking industry even after payment of the higher taxes.

The Federal Highway Administration was to designate in final rulemaking all the state primary roads in the National Network by October 3, 1983. However, on September 14, 1983, FHWA published a Notice of Proposed Rulemaking indicating that as of that date only 39 states had agreed with FHWA's route designations and that five states had pending actions in U.S. District Court to remove federally designated routes from the network. The FHWA and the Justice Department had to enjoin the state of Connecticut in Federal Court from enforcing a state law banning tandem trailers on Connecticut highways. Although the court ruled in favor of the Federal Government, Connecticut has now instituted tandem trailer driver certification requirements which have effectively restricted the available pool of tandem rig drivers to a handful who have met to overrigorous qualifications. FHWA has done nothing to ease this undue restriction on legal tandem operations, perhaps implying that only the most blatant constitutional violation will be sufficient to spur federal action to relieve state interference.

Nor has the FHWA indicated when the industry might receive any final designation of routes in all 50 states and the District of Columbia. Interim designations change on an almost weekly basis in Pennsylvania, and the prospects of court decisions and federal-state "agreements" make route designations in eleven states subject to change at any moment. The October 3, 1983 deadline has passed with no resolution of the issue.

Even more critical is the issue of access to the National Network. The STAA requires that states allow vehicles with the new authorized dimensions reasonable access between the National Network and terminals, facilities for food, fuel, repairs and rest. Unfortunately, the FHWA has allowed the states to establish individual definitions of reasonable access, promoting confusion and unpredictable enforcement procedures.

In the September 14, 1983 Federal Register NPRM, the FHWA published a table of state access provisions. Eighteen states allowed unlimited access to and from the designated routes. Others restrict access to one-half or one-fifth of a mile from the routes. Twelve states had no policy whatsoever; five states required permits for any access, and three states indicated they were awaiting a federal definition in the NPRM.

Consequently, the fifteen months of increased productivity prior to the onset of higher use taxes has been of limited assistance to the trucking industry. Fleet owners have postponed decisions to purchase larger trucks and tandem trailers as long as the routes remain uncertain. With no federal definition of reasonable access permitting carriers reliable access to terminals and delivery points, the promised cost efficiencies will never be realized.

Thus, the trucking industry has been paying an extra 5¢ per gallon fuel since April 6, 1983, and faces a 700% increase in use fees on July 1, 1984, while the corresponding productivity gains are hampered by resistance among the states and bureaucratic inertia.

The problems with the STAA use tax schedule are obvious:

1) It requires a lump sum payment, regardless of mileage; trucks running fewer miles on local routes pay the same rate as high-mileage over-the-road haulers; and
2) Heavy trucks are required to pay use taxes at almost 800% of the previous rates.

Unfortunately, these use tax rates will tend to discourage the use of the most efficient vehicles for transporting the nation's goods, thereby denying productivity benefits to the consuming public.

## III. S.1475 - THE DIESEL DIFFERENTIAL

In response to the STAA's excessive burden on heavy vehicles, a number of bills have been introduced which supplant the use tax with an increased diesel fuel tax. S.1475 is the most widely discussed "diesel differential" bill -- it eliminates the heavy truck use tax and replaces the lost revenue with a 5¢ per gallon increase in diesel fuel taxes. Vehicles under 10,000 pounds are exempt and would receive an annual rebate for taxes paid. This plan reduces the excessive use tax on heavy trucks, removes the cash flow problems associated with lump sum payments, and establishes a "pay-as-you-go" system whereby taxes paid are proportionate to miles driven.

However, PTCA realizes that S.1475 is not a perfect, or even particularly attractive, solution for the entire trucking industry. The bill shifts the burden of payment for highway repair from large trucks to smaller vehicles -- all pay the same rate with the diesel differential. Under the STAA, vehicles less than 33,000 pounds were use-tax free. Under S.1475 a 10,000 pound truck would be taxed at the same rate as an 80,000 pound truck.

The DOT cost allocation methodology indicates that heavy trucks would not pay an equitable share of reconstruction costs if S.1475 replaced the STAA use tax. For combination vehicles over 75,000 pounds and a 5¢ per gallon diesel differential, DOT estimates a revenue/cost ratio of .63 (these trucks are therefore paying tax revenue equal to 63% of the pavement and structure damage costs assigned in DOT analysis) compared to a ratio of .71 for the same weight class using the STAA use tax schedule.

PTCA does object to the lack of sufficient consideration given environmental (non-allocable) factors in the DOT allocation of highway damage costs, and recognizes that industry analysis assigns a much different cost burden to the heaviest weight classes. However, PTCA accepts the argument that heavier trucks cause somewhat more wear and tear on pavements than lighter vehicles, and should therefore pay some higher share of user fees for maintenance and reconstruction. For this reason alone PTCA, representing over 2,000,000 trucks in operation, cannot support S.1475 or any legislation employing a straight diesel fuel tax without reference to vehicle weight.

In addition, S.1475 as introduced would not raise the same amount of revenue as the STAA use tax, resulting in reduced income for the Highway Trust Fund. The DOT report to Congress on use tax alternatives, mandated by Section 513 (g) of the STAA, indicates S.1475 would raise $12.409 billion for fiscal year 1985 as opposed to $12.763 billion in estimated receipts from the STAA. The FY 1984-1988 total revenue figures show an even more dramatic shortfall: $62.8 billion for S.1475, $65.0 billion for STAA.

We have been advised in informal discussions with DOT that they estimate a truly revenue neutral differential would require an increased diesel tax of over 8¢ per gallon. Additional fuel tax without any use tax serves only to exacerbate the undue burden S.1475 would place on lighter diesel-powered vehicles.

## IV. PTCA TAX PROPOSAL

Therefore, PTCA seeks to enact a compromise proposal which will:

1) significantly ease the STAA's oppressive use tax on heavy trucks; and
2) place greater emphasis on miles traveled as part of the basis for taxes payable.

This will ensure that heavier vehicles pay at a somewhat higher rate than lighter counterparts, thereby reducing the straight diesel differential's disproportionate burden on light trucks. Most important of all, the compromise will be virtually revenue neutral, raising almost the same amount of tax dollars as projected under the STAA use tax.

The proposed plan is as follows:

1) a) STAA use tax schedules would be eliminated.

   b) Vehicles between 33,000 pounds and over but less than 55,000 pounds would pay a use tax of $4 per 1,000 pounds (pre-STAA law required $3 per 1,000 pounds).

   c) Vehicles 55,000 pounds and over would pay a use tax equal to one-half of their 1988 STAA levels, with a maximum payment of $950 for an 80,000 pound truck.

   d) Vehicles traveling less that 5,000 miles per year would be exempted from the use tax.

2) A 2¢ a gallon diesel fuel differential would be levied on all diesel vehicles 10,000 pounds and over. A rebate mechanism, similar to one in existence for farmers and fishermen exempted from current diesel taxes, would be established for vehicles under 10,000 pounds. The 2¢ would be capped at that level to prevent raising the figure by Executive Order. Should an increase be warranted, Congress would first have to remove the cap and then raise the tax; this procedure ensures the trucking industry will be allowed input on any proposed increase. The law would be drafted so that 1/9 of the 2% fuel tax increase would not go into the Transit Fund, as it does under the current 9¢ fuel tax.

With our revised use tax schedule, trucks over 33,000 pounds pay substantially less than under the STAA. The heaviest trucks (55,000 pounds and over) pay only 50% of their 1988 assessment under the STAA. Yet the heavier trucks do pay at a higher rate than lighter trucks, as the assumptions of proportionate cost allocation require. The light trucks are therefore spared the undue burdens of a straight diesel differential and the revenue to cost ratio for vehicles over 75,000 pounds under the PTCA plan is .68 (compared to .63 for S.1475).

Finally, the PTCA tax proposal is revenue neutral. DOT revenue estimates in its report to Congress project fiscal year 1985 income of $12.763 billion from the STAA, and $12.587 billion from the PTCA proposal. Over a five year period from FY 1984-1988, STAA would purportedly raise $65.0 billion and the PTCA proposal $63.8 billion. This apparent $1.2 billion shortfall is narrowed considerably, however, when the DOT revenue model is examined.

The DOT projections are based on truck population and mileage data compiled in the 1977 Truck Inventory and Use Survey conducted by the Bureau of the Census and interpolated for the 1985 and 1984-1988 periods. PTCA asserts these population and mileage figures are grossly understated.

In order to accurately assess the effects of the STAA use tax on the trucking industry, PTCA undertook in April, 1983, a membership survey on relevant weight, mileage and population data. Four hundred seventy seven fleets responded, representing almost 100,000 trucks. We respectfully submit that our data base is more current and extensive than any other research undertaken by any other organization, public or private, in this area. The resultant data revealed mileage figures substantially higher than those projected by the DOT revenue model. DOT estimates that in 1985 an 80,000 pound vehicle would travel an average of 65,000 to 70,000 miles per year.

The PTCA survey showed an average of over 89,000 miles per year for a similar size truck in 1982, and PTCA has no reason to believe this figure will decline significantly by 1985. The increased mileage figures raise revenue projections for the 2¢ diesel differential without affecting projected STAA use tax revenues.

The Department of Transportation has admitted in discussions that some of the trucks in their 1977 TIUS data were only in partial use, and that the 5,000 mile per year threshold for use tax liability would eliminate these part-timers and result in a higher average figure. PTCA asserts the higher mileage figures for taxable vehicles will raise total revenues under the PTCA proposal to such a level that any shortfall will be insignificantly minute.

Attached to this testimony is a chart indicating an annual use tax and/or diesel differential payment per truck, separated by weight classes, under the alternative plans.

Additionally, the increased use of mileage as a basis for tax liability in our proposal, along with the higher mileages of the PTCA survey data, reduces the difference in revenue/cost ratios between the two plans. Fuel taxes themselves are cost allocation devices, since heavier trucks get fewer miles per gallon and therefore use more fuel and pay more tax per mile than lighter vehicles.

Assuming the average annual mileage rates remain constant over the five year period, the taxes payable to columns (B), (C), (D), (E) and (F) will not change from 1984 to 1988. Thus, an 80,000 pound truck with average mileage would pay $1,261.24 yearly in use and diesel differential taxes under the PTCA proposal, as opposed to $1,600 in 1984 and $1,900 in 1988 under the STAA. By 1988, the savings amount to $638.76 per vehicle.

In conclusion, we ask the subcommittee to reassess the existing tax bias against heavy vehicles. In doing so, however, we advise the subcommittee to realize that smaller local route vehicles make proportionately less use of the federal aid highway system than their heavier, over-the-road counterparts, and we implore you not to fund the reconstruction of this federal system on the backs of the lighter weight vehicles.

We would now be happy to address any questions you might have.

A COMPARISON OF HIGHWAY TAX ALTERNATIVES - Revised 1/26/84

|  | (A) | (B) | (C) | (D) | (E) | (F) |
|---|---|---|---|---|---|---|
| DATE/LBS. | 1982 STAA | S.1475 5¢ DIES.DIFF. (DOT EST) [1] | 5¢ DIESEL DIFFERENTIAL (PTCA SURVEY MILEAGE EST)[2] | 8¢ DIESEL DIFF. (DOT EST) [1] | 8¢ DIESEL DIFF. (PTCA SURVEY MILEAGE EST)[3] | PTCA PROPOSAL (PTCA SURVEY MILEAGE EST)[4] |
| JULY 1984 |  |  |  |  |  |  |
| 10,000 lbs. | -0- | $ 44.07 | $ 31.26 | $ 70.51 | $ 50.02 | $ 12.50 |
| 22,000 lbs. | -0- | $164.27 | $223.39 | $ 262.83 | $ 357.42 | $ 89.35 |
| 33,000 lbs. | $ 50.00 | $256.61 | $333.57 | $ 410.58 | $ 533.71 | $ 265.43 |
| 40,000 lbs. | $ 225.00 | $322.58 | $466.34 | $ 516.13 | $ 746.15 | $ 346.54 |
| 55,000 lbs. | $ 600.00 | $403.23 | $680.84 | $ 645.17 | $1,089.28 | $ 572.36 |
| 70,000 lbs. | $1,200.00 | $599.31 | $680.84 | $ 958.90 | $1,089.28 | $ 962.36 |
| 80,000 lbs | $1,600.00 | $689.65 | $778.10 | $1,103.44 | $1,244.97 | $1,261.24 |
| JULY 1985 |  |  |  |  |  |  |
| 33,000 lbs. | $ 50.00 |  |  |  |  |  |
| 40,000 lbs | $ 225.00 |  |  |  |  |  |
| 55,000 lbs. | $ 600.00 |  |  |  |  |  |
| 70,000 lbs. | $1,200.00 |  |  |  |  |  |
| 80,000 lbs. | $1,600.00 |  |  |  |  |  |
| JULY 1986 |  |  |  |  |  |  |
| 33,000 lbs. | $ 50.00 |  |  |  |  |  |
| 40,000 lbs. | $ 225.00 |  |  |  |  |  |
| 55,000 lbs. | $ 600.00 |  |  |  |  |  |
| 70,000 lbs. | $1,260.00 |  |  |  |  |  |
| 80,000 lbs. | $1,700.00 |  |  |  |  |  |
| JULY 1987 |  |  |  |  |  |  |
| 33,000 lbs. | $ 50.00 |  |  |  |  |  |
| 40,000 lbs. | $ 225.00 |  |  |  |  |  |
| 55,000 lbs. | $ 600.00 |  |  |  |  |  |
| 70,000 lbs. | $1,320.00 |  |  |  |  |  |
| 80,000 lbs. | $1,800.00 |  |  |  |  |  |
| JULY 1988 |  |  |  |  |  |  |
| 33,000 lbs. | $ 50.00 |  |  |  |  |  |
| 40,000 lbs. | $ 225.00 |  |  |  |  |  |
| 55,000 lbs. | $ 600.00 |  |  |  |  |  |
| 70,000 lbs. | $1,380.00 |  |  |  |  |  |
| 80,000 lbs. | $1,900.00 |  |  |  |  |  |

[1] These tax figures were calculated using average annual mileage estimates supplied by U.S. DOT.

[2] These figures calculated using average annual mileage estimates supplied by PTCA member survey.

[3] These figures represent tax payments under 8¢ differential which DOT claims is the rate necessary to be revenue neutral. PTCA survey mileage used.

[4] PTCA survey mileage used.

STATEMENT TO:

SENATE ENVIRONMENT AND PUBLIC WORKS
SUBCOMMITTEE ON TRANSPORTATION

BY THE:

FOREST PRODUCTS TRUCKING COUNCIL
1619 MASSACHUSETTS AVENUE, NW
WASHINGTON, DC 20036

ON

IMPLEMENTATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT

## INTRODUCTION

The Forest Products Trucking Council (FPTC) is a voluntary, nonprofit, unincorporated trade association, comprised of the following 33 state, regional, and national forestry associations:

Alaska Loggers Association
American Pulpwood Association, Inc.
Arkansas Forestry Association
Florida Forestry Association
Inland Forest Resource Council
Iowa Wood Industries Association
Louisiana Forestry Association
Maine Forest Products Council
Maryland Forests Association
Massachusetts Wood Producers Association
Michigan Association of Timbermen
Minnesota Timber Producers Association
Montana Logging Association
New Hampshire Timberland Owners Association
New York State Timber Producers Association, Inc.
North Carolina Forestry Association
Northeastern Loggers' Association, Inc.
Northern Hardwood and Pine Manufacturers Association, Inc.
Northern Woods Logging Association
Oklahoma Forestry Association
Oregon Forest Products Transportation Association
Pennsylvania Forestry Association
South Carolina Forestry Association
Southeastern Lumber Manufacturers Association

Southern Forest Products Association
Southern Hardwood Lumber Manufacturers Association
Southern Hardwood Traffic Association
Southern Oregon Timber Industries Association
Tennessee Forestry Association
Texas Forestry Association
Timber Producers Association of Michigan and Wisconsin
Vermont Timber Truckers and Producers Association
Wood Producers Association of Connecticut

The Forest Products Trucking Council represents its members on issues that affect the trucking of pulpwood, woodchips, logs, and other unprocessed wood fiber from the forest to the mill. Objectives of the FPTC include promoting the interests of pulpwood and log trucking, encouraging discussion, gathering and sharing information on safe and efficient forest products trucking, representing the forest products trucking industry in legislative affairs and regulatory efforts, and developing voluntary trucking standards.

## CHARACTERISTICS OF LOG TRUCKING

Individual members of the associations represented in this statement are typically small businessmen who generally own three or fewer trucks and are deeply involved in virtually all aspects of forest products harvesting and transportation. In most cases these businesses are family-owned and staffed and employ fewer than eight employees.

Many of the characteristics of log trucking are extremely similar to a farmer's "farm-to-market" trucking operation. In fact, in some regions farmers frequently haul pulpwood and logs during periods of low farming activity.

Pulpwood and log trucks, for obvious reasons, travel primarily over the little-used back roads in the forested regions of our country. Pulpwood and logs are a relatively low-value, high-bulk commodity, and truck-haul distances are kept to an absolute minimum to reduce raw material costs. The majority of our pulpwood and log trucking members make one or two 30-130 mile round trips per day and average 25,000-60,000 miles per year on their trucks.

Forest products trucking is notably similar to farm-to-market transportation in that it is a short-distance, one-way operation, with no loaded back haul when the log truck returns from the mill to the forest.

A study of over 6,000 Southern pulpwood logging operations made in 1979 inventoried 1,270 tractor-trailer combination trucks which would be subject to the heavy vehicle use tax imposed by STAA. An additional 1,817 tandem and tri-axle trucks would also be affected, at a lesser rate. Also inventoried were 4,717 single-axle trucks, which would be mostly unaffected. The ratio of tractor-trailers used in pulpwood transportation in the Lake States in a 1978 survey was 62%, and tandems and tri-axles represented 32%. Only 6% of the trucks used were single-axle. In the West virtually all trucks used in log transport are tractor-trailer units.

Logging, although a year-round activity in most forested regions, is subject to production stoppages and slowdowns caused by bad weather and by market restraints. Many efficient loggers maintain extra or standby trucking units to enable them to take advantage of good weather conditions or high market demand. The heavy use tax imposed by STAA will make it economically difficult or disadvantageous to license these standby trucks and greatly diminish the production and earnings of these businessmen.

## FOREST PRODUCT TRUCKING COUNCIL POSITION ON HEAVY VEHICLE USE TAX

Log and pulpwood truckers, although already burdened with many and varied state and federal taxes, recognize and support the need for the repair and maintenance of our nation's highways and bridges. The five percent increase in fuel taxes called for in the Surface Transportation Assistance Act of 1982, while a significant additional tax burden, is acceptable because it is a "pay as you go" tax and can be "passed through" to the log purchaser.

The increase on large combination trucks from $240 to $1,900 in the heavy vehicle use tax legislated in the 1982 STAA, however, represents a "property tax" which discriminates against pulpwood and log truckers, whose annual mileage on our nation's highways is much less than truckers engaged in long hauls. The FPTC urges that the current heavy vehicle use tax be replaced with an additional increase in the diesel fuel tax. This is an alternative that will not only work but will be fair to all truckers because it is a "pay as you go" tax. None of the other suggested alternatives to the heavy vehicle use tax imposed by STAA meet the tests of equity, simplicity, ease of collection, and economy of administration.

FPTC favors this approach, which is embodied in H.R.2124 (Frenzel, R-MN) and S.1475 (Wallop, R-WY). Specifically, these bills replace the heavy vehicle use tax with an offsetting increase in the tax on diesel fuel.

FPTC feels the diesel differential plan embodied in this proposed legislation is an equitable and excellent alternative to the heavy vehicle use tax because:

1) The diesel differential plan can be structured to be revenue-neutral, providing D.O.T. with essentially the same revenue for highway and bridge maintenance and repair as will be collected under the heavy vehicle use tax provisions of the STAA of 1982.

2) From the Treasury Department standpoint, and for reasons of taxpayer equity, FPTC feels the collection of a diesel fuel tax is less complex, less costly to administer, and very difficult to evade. In fact, the system to collect fuel taxes is already set up and in operation.

3) A tax on diesel fuel is more equitable because it relates proportionately to a truck's impact on highways and bridges. It is also easier for truckers to understand, allocate in their cost-accounting systems, and pass through to customers.

4) An additional tax on diesel fuel will not discourage pulpwood and log truckers from licensing additional (or spare) trucks for peak periods of demand. The heavy vehicle use tax will substantially cut down the number of log trucks licensed and available for peak periods of demand.

There seems to be some indication that D.O.T. and other Administration officials feel the 1982 STAA concessions granted on truck weight, width, and use of double trailers will allow truckers the opportunity to offset or recoup a major percentage of the heavy vehicle use tax. While this may be applicable for some segments of the trucking industry, it is certainly not true for the pulpwood and log trucking segment. Most of our members operate in states where the 80,000 pound limit was already in effect. The new 102-inch maximum width won't increase our payloads, and the opportunity to use double trailers is almost nonexistent, because we haul mostly over rural or county roads where they are still generally prohibited.

For these reasons the FPTC, on behalf of its individual pulpwood and log trucking members, asks that serious and prompt consideration be given to replacing the heavy vehicle use tax provisions of the STAA of 1982 with a more equitable "pay as you go" diesel fuel tax.

February 1, 1984

| | |
|---|---|
| Testimony of: | Anthony R. Ameruso, P.E.<br>Commissioner<br>New York City Department of Transportation |
| Before: | Transportation Subcommittee of the Senate<br>Committee on Environment and Public Works |

## TANDEM TRAILERS IN NEW YORK CITY:
## HAZARDS TO SAFETY AND INTERFERENCE WITH TRAFFIC FLOW

Mr. Chairman, thank you for the opportunity to appear before this commitee today on problems of the implementation of the Surface Transportation Assistance Act of 1982. I specifically want to comment on the proposed Tandem Trailer Safety Act of 1984, which will be of great assistance to New York City and to other jurisdictions in making the Surface Transportation Act workable and safe.

The 1982 Act mandates that tandem trailers be permitted on all interstate highways. But interstate designation does not guarantee that a highway can safely accommodate all classes of vehicles. New York City's Interstate System is unique in many respects and distinguished from systems in other urban areas in that it is made up of pre-interstate era roadways dating back to the 1930's. They were linked together for route continuity and thus do not always conform to modern highway standards.

Current interstate standards dictate minimum lane widths of 12 feet but many of New York City's interstates contain lane widths of only 10 and 11 feet. New Federal regulations permit truck widths of 8 1/2 feet. With overhangs for mirrors, overall width could reach 10 feet 2 inches, bringing parallel trucks dangerously close to each other.

Interstate standards require that 1000-foot acceleration lanes and 400-foot decelaration lanes be provided. Almost all of New York City's interstates have substandard acceleration and deceleration lanes with many locations having no acceleration or deceleration lanes at all.

Interstate standards dictate a usable width of 10 feet for a highway shoulder. Fifty-two percent of New York City's interstate roadways have either substandard shoulders or no shoulders at all.

Climbing lanes are warranted on steep grade multi-lane highways with heavy volumes of traffic and numerous trucks, where the grade causes a 15 mile-per-hour reduction in the speed of loaded trucks. This condition occurs with considerable regularity on many of New York City's interstates, yet there are no climbing lanes on any highway in the City.

Interstate design standards dictate that left side exits and entrances should be avoided. In New York City, however, there are several critical interstate locations where both exits and entrances are on the left. There are also inadequate horizontal and vertical sight distances, and some overhead clearances are posted below 13 ft. 6 in.

The Lincoln Tunnel, the Queens-Midtown Tunnel, the Holland Tunnel and the Westside Highway to 42nd Street have been designated as part of the tandem truck network. These facilities end on quasi-residential streets, causing trucks to travel through residential areas to connect with the interstate system.

There are significant hazards associated with operating tandem trailers on an interstate system such as ours. Accident potential rises as density increases and unstable flow and capacity are reached. Characteristics of tandem trailers make them potential hazards on densely-travelled highways. Simple tasks such as lane-changing become difficult because of the longer gaps required. Sideswiping accident risks are increased. Tandems tend to become involved in accidents more when empty than when loaded; they have a larger potential for encroachment on adjacent traffic lanes and almost twice the crash rate of straight trucks.

Three major hazards to other vehicles are aerodynamic disturbances, off-tracking and jackknifing. Aerodynamic disturbance largely goes unnoticed on rural highways, where traffic volumes may range from 2,500 to 5,000 vehicles per day. New York City interstate volumes range from 100,000 to 130,000 vehicles per day. "Off-tracking" on rural interstate with low traffic volumes can be remedied by a simple realignment, but off-tracking where there are high volumes of traffic (such as the overcrowded Cross Bronx Expressway or the Long Island Expressway) could result in a multi-vehicle accident. Jackknifing of trailers is always serious but is especially dangerous for tandems in the City because of the increased potential for the rear trailer to overturn and the high probability that the trailer would impact with one or more other vehicles, causing severe injuries. In addition, the traffic delays caused would involve thousands of vehicles and a backup of several miles on streets and highways for many hours.

New York City's "designated interstate highways," carry the heaviest traffic volumes in the United States through and into intensely developed commercial and residential areas with closely spaced interchanges. Consequently, severe traffic blockages frequently develop at exits reducing lane availability on the main highways. The ensuing congestion, speed changes, and lane shifts currently contribute to high frequencies of truck related accidents. Tandem trailers injected into this environment will create a substantially greater risk.

Even under current size limitations, tractor-trailers in New York City are involved in a great many serious accidents. In a typical 90 day period in 1983, there were 30 jackknife and overturn incidents on New York City's interstates. A total of 246 incidents occurred during this period. Ninety percent of these incidents occurred on weekdays.

On the City's narrow densely travelled streets, these rigs, which are difficult to back up, will be detrimental to the safetyof other drivers and pedestrians. They will raise the levels of traffic congestion and air pollution.

The new Federal law mandates "reasonable access" for these large vehicles to terminals often located more than a mile from highway exits, and for food, fuel, repairs and rest. This provision creates further strain on New York City's roadways, because these terminals are located in the Bronx, Brooklyn, Manhattan's west side, (which is highly congested), and in Maspeth, Queens, all partially residential areas.

The Surface Transportation Assistance Act of 1982 provides a process whereby a locality can apprise the Secretary of Transportation or FHWA that certain non-interstate roadways or portions thereof are not capable of safely accommodating tandem trucks. The secretary can then grant exemptions where the threat to public safety is determined to exist. We propose that a similar process be established for interstate highways.

We do not wish to interfere with interstate commerce. During certain hours and on certain interstates we can allow tandems to pass through New York City; but these routes and hours must be carefully chosen. In the interest of public safety we therefore urge the passage of legislation which allows the Federal Department of Transportation to exempt certain interstates from the tandem truck requirements.

STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
ALBANY, N.Y. 12232

JAMES L. LAROCCA
COMMISSIONER

FEB 16 1984

Honorable Steven D. Symns
Chairman, Subcommittee
on Transportation
Senate Committee on
Environment and Public Works
United States Senate
Washington D. C. 20510

Dear Senator Symns:

On Wednesday, February 1, 1984, Anthony R. Ameruso, Commissioner of Transportation for the City of New York testified before your Subcommittee regarding the proposed Tandem Trailer Act of 1984. This Department fully agrees with and supports the testimony and recommendations made by Mr. Ameruso.

We wish to point out that the American Association of State Highway and Transportation Officials (AASHTO), which represents all fifty states, have passed a resolution also in support of amending the 1982 Surface Transportation Assistance Act to provide the Secretary of Transportation needed flexibility to administer the law in a manner that will promote safe utilization of the interstate highway system. Attached for inclusion in the record is a copy of the AASHTO resolution approved by the Policy Committee on October 2, 1983.*

Your support for this amendment is urgently requested.

Kind regards.

Sincerely,

James L.Larocca
Commissioner

---

*The resolution referred to was submitted with the AASHTO statement.

TESTIMONY of

JOHN ARCHER

MANAGING DIRECTOR

GOVERNMENT AFFAIRS DEPARTMENT

AMERICAN AUTOMOBILE ASSOCIATION

before the

TRANSPORTATION SUBCOMMITTEE of the

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

February 1, 1984

Mr. Chairman, I am John Archer, Managing Director of Government Affairs for the American Automoble Association. With me today is George Viverette, AAA Highway Transportation Director.

The American Automobile Association, serving more than 23.8 million members, appreciates this opportunity to comment on the implementation of the Surface Transportation Assistance Act of 1982 (STAA). We would like to focus on two issues of concern to the motorist: (1) the safety of longer and wider trucks on the nation's highways and (2) equitable taxation of highway users.

Triple A believes it essential that the national truck network established by the STAA be sufficiently limited to preserve highway safety. Larger, wider, and heavier trucks should not be allowed to use roads for which they were not designed, regardless of the alleged economic justification.

In establishing the national truck network Congress intended to preserve public safety. That concern is reflected in the language of subsection 411(e)(1), "The Secretary [of Transportation] shall designate those Primary System highways that are capable of safely accommodating the vehicle lengths." This language clearly indicates the intent to exclude from the truck network any given Federal-aid Primary road that could not safely accommodate the larger vehicle combinations mandated by the STAA.

Obviously, safety also should be a top priority with respect to the Interstate System. In the past it has been too easily assumed that the highways comprising the Interstate System are of uniform design standards. While this is generally true, many Interstate highway curves, intersections, and interchange ramps were built long before use by 48-foot trailers was envisioned. This is particularly true in Northeast urban areas. By way of example, much of New York City's Interstate Highway System was built before 1956. Current standards dictate that Interstates be built with minimum lane widths of 12 feet, yet some of New York City's Interstates have lane widths of only 10 and 11 feet. Site distances are substandard, acceleration and deceleration lanes are too short or non-existent, overhead clearances are posted below 13 1/2 feet, shoulders are substandard or missing altogether, grades are excessive, and no climbing lanes have been provided.

Another example can be found in the Los Angeles, California area. Of 348 center line miles on segments of Interstate Routes 5, 10, 110, 210, 405, and 605, approximately 37.4 center line miles have travel lane widths of less than 12 feet.

The 48-foot trailer can pose tracking problems because the turning radius exceeds that commonly used in highway design of past years. When a 48-foot trailer is operated on highways of the older design, the trailer will move out of its lane on curves and at intersections. This can result in collisions with vehicles in adjacent lanes or destroy signs and other roadside hardware.

AAA has a very revealing film produced by the California Department of Transportation showing the on-road operation of a rig with a 48-foot trailer and the offtracking problems that occur in negotiating turns with a radius found in many highway designs. AAA would be happy to make that film available to any Senator interested in seeing it.

Under current law, even if local, state, and federal officials all agree that a particular Interstate segment is unsafe for longer, wider, or tandem trucks, they would still be prohibited from removing that segment from the federal trucking network unless truck traffic had previously been limited by prior law or regulation. AAA believes this is unreasonable and should be changed.

AAA strongly supports the adoption of an amendment to the STAA to provide an exemption for specific segments of the Interstate System. These exemptions could be made by the Secretary of Transportation at the request of a state governor after consultation with local government and upon submission of supporting evidence. Legislation (S.2217) to allow such exemptions was introduced last week by Senator Moynihan. Similar language was introduced in the House by Congresswoman Geraldine Ferraro in the last session and incorporated into the House version of H.R. 3103.

### Federal-Aid Primary

The *Federal Register* of February 3, 1983, carried a statement of FHWA's policy with respect to the truck size and weight provisions of the STAA. In its statement FHWA said that in addition to the Interstate System, "those sections of the Federal-aid Primary System which are divided highways with four or more lanes and full control of access will be eligible for use by vehicles whose dimensions are established by the STAA." FHWA also noted that *states* could designate other Federal-aid Primary System highways "that comply with safety and operational requirements, such as traffic lanes designed to be at least 12-feet wide."

In subsequent actions, FHWA did not limit its designations to four lane divided highways or highways with 12-foot travel lanes. In fact, without individual safety evaluations, FHWA designated routes that the states believe are unsafe for the larger commercial vehicles. It is not surprising that five states (Alabama, Florida, Georgia, Pennsylvania, and Vermont) have filed suit to challenge the designations and that six others (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, and New York) are still in disagreement with FHWA over the proposed designations.

FHWA also digressed from its original notice of policy which stated that "[the states] are most familiar with their highway systems, including the structural capacity of bridge and pavements, traffic volumes, and unique climatic conditions. Also, the States are responsible for traffic regulation and enforcement. Therefore, the determination of highways for use by vehicles covered in this policy statement will reside at the state level. The FHWA will intervene only in those instances where the needs of interstate commerce are being impeded."

FHWA's initial policy statement clearly set out where the burden should be. FHWA should designate only routes approved by states unless FHWA can affirmatively prove a burden on interstate commerce, and even where such an obstacle appears, the safety of including the route at issue must be the overriding concern.

AAA is particularly concerned about the inclusion of highways with travel lanes of less than 12 feet in the final truck route designation. This is critical, because the STAA, as amended by P.L. 98-17, virtually sets 102 inches as the width standard for commercial motor vehicles.

## Twelve-foot Travel Lanes

Section 416 of the STAA provides that states must permit 102-inch vehicles on all designated routes with traffic lanes designed to be a width of 12 feet or more. Yet FHWA, in disregard of the statute's mandate, has designated miles of highways of substandard widths for use by wider vehicles, over the objections of state transportation officials. A case in point is the designation of three route segments contested by the state of New York, each with stretches of roadway narrower than 12 feet (U.S. 4, N.Y. 254 Hudson Falls to Vermont State Line; N.Y. 254, Route 9 to U.S. 4 Hudson Falls; N.Y. 440, New Jersey State Line to Interstate 278, Staten Island Expressway).

There is evidence that the 102-inch wide trailer could soon be the dominant trailer width on the highway. Industry sources have been quoted as saying that trucking lines big and small are buying 102-inch wide trailers of all descriptions, 48-foot long vans being the most popular.

A report transmitted to the 88th Congress by the Secretary of Commerce found that based on lateral placement studies by the Bureau of Public Roads (now the Federal Highway Administration), 12-foot travel lanes can permit the safe operation of commercial vehicles up to 102 inches wide. On narrower pavements, however, or pavements with inadequate shoulders, "vehicles greater than 96 inches wide would present both physical and psychological problems."

When 102-inch wide vehicles move in traffic lanes narrower than 12 feet, the normal back-and-forth lateral movements cause serious hazards to vehicles in adjacent lanes, even when driven carefully in good weather. When strong crosswinds occur, during heavy precipitation, or on icy roads, the hazard is multiplied. Wide trucks on narrow pavement also cause problems for drivers of passenger cars.

The wider vehicles block sight for all vehicles in their lanes to the rear, making safe passing more difficult to assess (not to mention the additional passing distance required by the longer vehicles). They cause serious draft displacement of smaller vehicles when passing and often prompt drivers to overcompensate for their size when approaching from the opposite direction, either by swerving into other lanes or hitting the brakes in anticipation of lane encroachment.

For all these reasons FHWA should comply with the intent of Congress and not require inclusion of roads with travel lanes of less than 12 feet.

Throughout the debate on the use of 102-inch wide vehicles, on and off the Interstate, the subject of 102-inch wide buses has been raised. AAA is disturbed by the continued reference to 102-inch wide buses as justification for allowing 102-inch wide commercial combination motor vehicles.

In hearings before the House Subcommittee on Oversight of the Committee on Ways and Means on November 29, 1977, the Chairman of the Transportation Committee of the American Association of State Highway and Transportation Officials (AASHTO), William A. Bulley, testified that AASHTO's conditional approval of the 102-inch wide bus was based upon a maximum vehicle length of 40 feet. Bulley told the Subcommittee, "since these buses must negotiate the existing street patterns and right-angle turns in towns and cities, whether they are in-city operation or over-the-road operation, we feel that the overall length cannot be in excess of 40 feet and still allow turns at street intersections without encroaching on other traffic."

No reliable conclusions can be drawn from a comparison of road experience for a 40-foot transit bus that is 102 inches wide and a combination truck with a 48-foot semi-trailer that is 102 inches wide.

## Reasonable Access

AAA supports FHWA's decision to defer to state and local government officials in the selection of appropriate points of entering and exiting the trucking network to accommodate needs for fuel, food, lodging, repair, and access to terminals.

We note that some states have chosen to allow for exit from the truck route network on a permit-only basis and support that approach to defining "reasonable access." Indeed, with respect to the non-Interstate portion of the federal network, where a broad array of food, fuel, lodging, and repair facilities already exits, there is little justification for providing additional access on a non-permit basis.

State and local officials should retain the flexibility to prohibit larger vehicles from exiting the federal network onto local roads according to the dictates of changing conditions. If a particular exit or group of exits of the network lead to one or more roads unsuitable for the larger trucks mandated by the STAA, state and local officials should be guaranteed the discretion to prohibit such trucks from using that exit or group of exits (except in emergency situations). Moreover, if an entire segment of the trucking network adjoins an area unsuitable for larger trucks because of traffic mix, congestion, or for any other reason, state and local officials should have the option of prohibiting those trucks from exiting that highway anywhere along that segment of road. This "drive-through" concept would allow interstate commerce to proceed while ensuring that the STAA's allowance for reasonable access could not be used to allow large vehicle combinations to travel roads on which they are unsafe.

## Definition of "Terminal"

AAA believes any definition of the word "terminal" should be fully responsive to the intent of Congress to limit the operation of large trucks to the route structure which can safely accommodate them. Congress was very clear in specifically exempting household goods carriers with respect to pickup and delivery in Section 412 of the STAA. If it had been the intent of Congress that all roads be available to the larger vehicles for point-to-point operation, there would have been no need to single out a specific carrier group for special treatment.

In our view, a terminal is a facility at the end of a carrier line with full freight loading and unloading capabilities and with freight storage capacity to hold items prior to delivery to a final destination. The terminal should be the final point at which the longer combination trucks authorized by the STAA may operate off the national truck network.

## Highway User Taxes

The STAA of 1982 was a serious attempt to equitably impose taxes commensurate with the cost responsibilities of highway users, although the original Administration bill based on the Highway Cost Allocation Study would have mandated even greater tax responsibility to heavy trucks.

AAA does not believe that these newly-enacted taxes--particularly the use taxes on heavy trucks--should be changed unless compelling justification is shown, and then only after careful study of all possible alternatives. This is particularly true because the large increase in the federal heavy truck use tax was widely understood to be the political tradeoff for the increased truck sizes and weights mandated by the 1982 STAA.

It is also true because, as one of the conclusions of the 513(g) study (Report to Congress on Alternatives to Tax on Use of Heavy Trucks) states, the short-term options widely discussed as possible changes in the current tax structure:

> "...do not solve the major equity concerns with the current tax structure. The current fees do not fully measure the two principle variables: weight and distance. To measure them directly and more equitably requires a comprehensive change, specifically, a weight-distance tax.
>
> "The principal and compelling advantage of a weight-distance tax is that it taxes directly those characteristics that should be taxed as a measure of costs imposed upon the highways by users. It is the only tax instrument that addresses precisely the trucking industry's major criticism of the heavy vehicle use tax--that is, its insensitivity to mileage variation. There appear to be no insurmountable reasons why a simple weight-distance tax could not be imposed at the national level."

Moreover, an important study regarding this issue has just been released by the AASHTO Steering Committee on Motor Carrier Taxation and Registration Issues. That recently-released AASHTO study recommends enactment of a weight-distance tax to begin in 1986 and retention of the present use tax until that time. AAA supports this basic recommendation of the study. Enactment of a weight-distance tax would be fair to all highway users, unlike a diesel differential tax which will not account adquately for the greater cost responsibility of heavy combination trucks.

We strongly believe a diesel differential will penalize motorists who operate diesel-powered passenger cars or vans even if that tax includes an exemption for diesel-powered vehicles under 10,000 pounds. At the very least motorists filing for refunds or tax credits under such an exemption will be faced with the burden of documenting their claims. We are also afraid that part of any diesel differential will be paid by car and van owners, if only because the paperwork requirements associated with any refund system will inevitably lead to at least some claims not being filed.

A diesel differential is also inequitable to the owners of light and medium weight vehicles. The cost responsibility of the heavy diesel-powered vehicles increases substantially as weight increases, but fuel consumption per mile increases only slightly above 50,000 pounds. The state of Oregon found that while the cost responsibility of an 80,000 pound combination truck was about double that of a 50,000 pound combination, its fuel consumption was only 14 percent more. Combination trucks under 70,000 pounds, and all single unit trucks, are already paying significantly more than their cost responsibility under taxes enacted in STAA 82. Combination units over 70,000 pounds are paying significantly less, with those over 75,000 pounds paying only 66 percent of their cost responsibility. Any substitution of a diesel differential for a highway use tax only will result in a further shifting of tax payments to lighter vehicles.

Any taxing mechanism relying on fuel consumption as a major element in compensating for highway cost responsibility becomes imprecise and inequitable when attempting to recover cost responsibility from a vehicle population with widely divergent weights. For example, the federal highway cost responsibility study found that a combination vehicle over 75,000 pounds had a per-mile cost responsibility about 16 times that of the passenger car, but consumes only about three to four times more fuel than a passenger car. Therefore, with a current federal fuel tax of nine cents per gallon, this vehicle would have to pay over 30 cents per gallon fuel tax to meet its determined cost responsiblity through fuel taxes alone.

Problems alleged to exist relating to collection costs associated with weight-distance taxes are extensively addressed in the AASHTO study previously mentioned. It notes that collection costs as reported by the states fall within a range of 12 to 14 percent. The state with the most experience with a weight-distance tax, Oregon, reported a collection and administrative cost of only 7.4 percent.

When compared with administrative costs for collecting vehicle registration fees ranging up to 14 percent and averaging around five percent, the costs of administering a weight-distance tax do not seem unreasonable. Additional study will allow perfection of the methods and procedures needed to administer and collect a national weight-distance tax.

For all these reasons we recommend that no action be taken to adjust the tax schedules contained in the 1982 STAA until the taxes are actually imposed and sufficient time has passed to assess their impact as well as the potential impact of a national weight-distance tax.

Thank you for considering our views.

# TESTIMONY OF HARRIET PARCELLS
BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
ON
IMPLEMENTATION OF THE SURFACE TRANSPORTATION
ASSISTANCE ACT OF 1982
FEBRUARY 1, 1984

Mr. Chairman and members of the Committee, I want to thank you for the opportunity to testify here today on implementation of the Surface Transportation Assistance Act of 1982 (STAA of 1982). My name is Harriet Parcells and I am Director of the Energy Conservation and Transportation Project at the Environmental Policy Institue (EPI). EPI is a private, non-profit organization that works with citizens groups across the country on a variety of environmental, energy and transportation issues.

Over the past several years, EPI has conducted in-depth research on the subjects of pavement damage caused by heavy vehicles, findings of federal and state highway cost allocation studies, tax equity and safety issues related to heavy trucks. Our research on these issues is contained in a report, **Heavy Truck Subsidies: Need for a National Weight-Distance Tax**, September 1983, submitted as part of our testimony. EPI carefully followed enactment of the STAA of 1982 and its implementation over the past year.

In our testimony today we will first address the heavy truck taxes, enacted in the STAA of 1982, and examine alternative tax structures to raise the same revenue, as the Act requires of the Department of Transportation (DOT). While EPI believes the taxes enacted improved tax equity among highway users, we recommend implementation of a national weight-distance tax as the best means of achieving tax equity. Experience in states with a weight-distance tax has shown that such a tax is administratively feasible and, contrary to assertions by opponents, does not pose a significant financial or record-keeping burden for trucks subject to it. Secondly, we will discuss our concerns about the safety hazard posed by the longer and wider trucks permitted on our highways by the STAA of 1982. Specifically, we will discuss our opposition to the extensive route network designated by DOT and our contention that such designations violate the STAA of 1982 and jeopardize safety of the motoring public.

**BACKGROUND ON HEAVY TRUCK TAX INCREASES:**

The need for heavy truck tax increases had been clearly shown by the recent federal highway cost allocation study (May 1982) and studies conducted by states throughout the country such as Ohio, Florida, Georgia, Mississippi, Oregon, Colorado and others. The federal highway cost allocation study found that combination trucks were paying only 60 percent of their cost responsibility and the heaviest combination trucks (over 75,000 lbs.) only 45 percent. Automobiles and light trucks, by contrast, were found to be overpaying and cross-subsidizing the heavier vehicles. The July DOT Working Paper on tax alternatives, indicated that the cost responsibility of the heaviest combination trucks is 7.29 cents per mile, -- more than double that of combination trucks 50,000 lbs. or less (3.36 cents per mile) and 15 times that of a passenger car (0.47 cents per mile). The pavement cost responsibility of the heaviest combinations (5.71 cents per mile) is 81 times greater than that of passenger cars (.08 cents per mile). See Attachment 1.

While the heavy truck use tax enacted in the STAA of 1982 greatly improved the past tax structure, it perpetuates certain equity problems. First the use tax, which is graduated by weight, is insensitive to mileage travelled. Thus, two trucks in the same weight category are assessed the same annual use tax regardless of the variations in mileage travelled (i.e., one may travel 70,000 miles/year and the other twice that). Secondly, despite cries by the trucking industry that the tax is both unfair and onerous, the tax on the heaviest trucks is significantly **lower** than levels needed to bring equity. The Department of Transportation had originally recommended to OMB a maximum use tax of $3,900/year for the heaviest vehicles. Yet after OMB review and Congressional compromise, a maximum tax of $1,900/year was enacted--approximately half the DOT recommended level to bring equity--and does not become fully effective until 1988. Productivity gains for the trucking industry by contrast, such as increased lengths, widths, weight, and doubles became effective within months after enactment--improvements estimated by DOT at $5 billion in 1985. As DOT states in its July working paper,

> Even with the significant increase in the heavy vehicle use tax <it would not> fully correct for the underpayment by the heavier vehicle class. (p. II-12).

## SHORTCOMINGS OF DIESEL TAXES AND USE TAXES

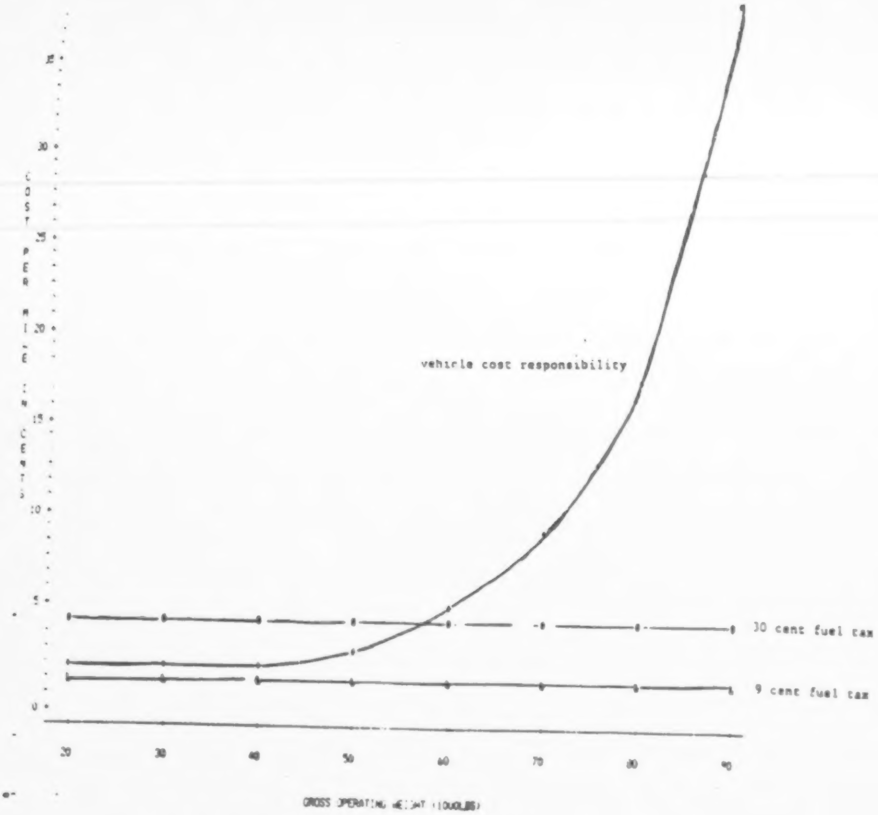
Use taxes such as fuel taxes, registration fees and sales taxes fail to adequately match tax payment with cost responsibility. The fuel tax is a poor assessor of cost responsibility because fuel consumption rises slowly in relation to weight while pavement damage rises exponentially. The overall cost responsibility of a typical 80,000 lb. truck is double that of a typical 50,000 lb. truck, yet, the 80,000 lb. truck uses only about 14 percent more fuel than the 50,000 lb. vehicle. Figure 1, taken from the DOT July Working Paper (p. III-7, Graph III-7), graphically shows that fuel tax payment alone fails to tax heavy vehicles for their cost responsibility.

Under a diesel tax differential, the tax burden would be shifted back to lighter trucks, which are already overpaying in taxes and cross-subsidizing the heavy trucks. In its July paper, DOT examined a diesel tax differential (OPTION 1) and a 16 cent diesel tax with the Use Tax eliminated (OPTION 2) and rejected both as failing to adequately assess cost responsibility of heavy trucks. It is interesting to note that the trucking industry supports elimination of the use tax and substitution of a 12 cent diesel differential rising to 14 cents in 1986--a tax level lower than that examined and rejected by DOT as inequitable.

Registration fees also fail to match cost responsibility because they do not distinguish between two vehicles in the same weight category which travel different mileage or the same vehicle which travels different mileage from year to year. Thus, the DOT option of a 14 cent diesel differential and a retained, but reduced, use tax (OPTION 3) suffers equity problems, like the use tax enacted in the STAA of 1982. The tax burden would again be shifted from the heavy high mileage trucks to lighter trucks

FIGURE 1

COST PER MILE BY GROSS OPERATING WEIGHTS
(for a 3S2)



1/ Depicted is a "typical" vehicle from vehicle class 30. The following assumptions were made regarding vehicle operating characteristics: gross operating weight 20 to 40 kips, steering axle 8 kips, gross operating weight 40-50 kips, steering axle 9 kips, gross operating weight 50-60 kips, steering axle 10 kips, gross operating weight greater than 70 kips, steering axle 12 kips, tandem axles equal split of remaining gross weight, fuel consumption from 6.4 miles per gallon for a vehicle with gross operating weight of 20 kips to 5 miles per gallon for a vehicle with gross operating weight of 90 kips, vehicle travels average distance for the class and utilizes the same roads as the [illegible]

Source: Graph III-I, DOT Working
Paper on Tax Alternatives

and lower mileage trucks. This inequity is compounded by the fact that heavy trucks travel far more miles than lighter vehicle classes--vehicle classes through class 21 (all single unit trucks, several classes of combinations) average less that 30,000 miles of travel per year; by contrast, over half the heaviest combination trucks (over 75,000 lbs.) travel 70,000 miles or more per year.

**NEED FOR A WEIGHT-DISTANCE TAX:**

The weight-distance tax does not suffer these shortcoming. It taxes heavy vehicles according to their total gross vehicle weight and the miles travelled. DOT stated that a weight-distance tax would "contribute to a fairer and more efficent tax structure" and would "dramatically improve within class equity". Other truck taxes could be eliminated such as the tire and sales tax, making for a simpler tax structure. A weight-distance tax is suppported by a wide spectrum of organizations, including: state highway and transportation officials; public interest organizations such as the Environmental Policy Institute, Friends of the Earth and the Sierra Club; the American Automobile Association; and many transportation commissions and districts. The Policy Committee of the American Association of State Highway and Transportation Officials stated,

> It is (further) recommended that a national weight-distance tax be considered as a more equitable tax approach with administration and collection to be structured at the state level.

Under a weight-distance tax, a graduated tax schedule is established whose rate increases with vehicle weight and mileage travelled. The tax could be paid on a monthly basis, eliminating a large "lump sum" payment (as in the use tax) to which the trucking industry has voiced objection.

**ADMINISTRATION OF A WEIGHT-DISTANCE TAX:**

Contrary to assertions by opponents, experience in states with weight-distance taxes in effect has demonstrated that they are neither costly nor more difficult to administer than other types of highway taxes. The state of Oregon has had a weight-distance tax in effect since 1947 and found that the cost of administering the tax is less than 4 percent of gross collections. The experience of Idaho, New York and Ohio are similar (see Table 1 below).

TABLE 1

STATE ADMINISTRATIVE COSTS FOR WEIGHT-DISTANCE TAX

| State | Cost as % of Revenue |
|---|---|
| Arizona | 0.7% |
| New Mexico | 0.7% |
| New York | 2.4% |
| Ohio | 3.0% |
| Oregon | 3.7% |
| Idaho | 5.0% |

Source: EPTOW in Illinois, based on conversations with State Transportation Officials

Auditing staff in the states with weight-distance taxes monitor compliance with the tax. It is worth noting here that in Oregon the auditing staff "pays its own way". Total audit expenses of $1.7 million were far outweighed by total audit recoveries of $2.5 million. If the federal government implemented a weight-distance tax, the size of the auditing force and associated costs could be minimized if the federal government worked out a cooperative agreement with the states.

**WEIGHT-DISTANCE TAX IS NOT A BURDEN TO TRUCKING FIRMS:**

Allegations by the trucking industry that a weight-distance tax places a tremendous burden on motor carriers subject to it are not supported by state experience.

Weight-distance taxes require only two kinds of record-keeping information: registered truck weight and number of miles travelled. Both are already collected by most states and/or required by the federal government. Motor carriers are required to declare the maximum gross weight of their trucks for the federal highway use tax and for registration in many states. All but two states now require interstate truckers to file mileage reports and maintain trip records for each truck subject to fuel use laws or the International Registration Plan (IRP), a multi-state vehicle registration plan. While states do not now require mileage records from intrastate carriers, the added enforcement costs of a federal requirement for these vehicles would likely be modest as most would fall below the weight threshold that could be set for a weight-distance tax (i.e., threshold at 50-55,000 lbs.). Alternatively, intrastate trucks could be given the option of continuing to pay a flat annual fee. Thus, implementation of a weight-distance tax does not pose a record-keeping burden for motor carriers beyond information they are already required to keep.

Neitner does such a tax pose a financial burden on the carriers. For example, the tax burden on trucks subject to the

Oregon weight-distance tax averaged 3.4 percent of total truck operating costs in the state in 1976. This cost dropped to 2.7 percent in 1979 as other operating costs became bigger factors for trucking firms (i.e., labor costs and fuel). A federal tax would, similarly, only constitute a small portion of total operating costs. The Department of Transportation found, in its highway cost allocation study, that each of the tax increase options presented in the study would have only a small impact on any of the vehicle classes. The percent increase in operating expenses under any of the alternatives (compared to a continuation of the existing tax structure) would be less than two percent and for the heaviest combinations (over 75,000 lbs.), less than 3.4 percent. Moreover, DOT found that user charges as a percent of total vehicle costs will fall in 1985 compared to 1977.

EPI, therefore, recommends implementation of a national weight-distance tax in lieu of the heavy truck use tax enacted in the STAA of 1982. Such a tax would contribute to a significantly improved and fairer highway user fee structure. We strongly oppose substitution of a diesel differential or a diesel differential and reduced use tax for the existing heavy truck use tax. Such action would only restore tax inequities which the STAA of 1982 sought to eliminate.

## SAFETY CONCERNS OF LONGER AND WIDER TRUCKS

EPI opposed provisions in the STAA of 1982 which required all states to permit longer and wider trucks on their highways. These larger vehicles pose safety hazards for other highway users, particularly when they are allowed on highways with less than 12 foot lanes.

Longer trucks experience "off-tracking" problems due to their longer wheelbase. The lateral distance between tracks made by the front and rear tires of a vehicle during a turn increases with increases in the wheelbase, which occurs with longer trailers. This can cause encroachment into adjacent vehicle lanes. Longer wheelbase trucks also have more problems on small radius curves such as on- and off-ramps. Increased truck widths also raise safety concerns. While most interstates have 12 foot lanes, many primary highways and other roads on which these trucks are permitted have narrower lanes. Trucks with 102" widths leave little clearance on such lanes, posing safety problems for other highway vehicles, particularly in inclement weather.

Accident statistics published by the Department of Transportation provide a firm basis for our safety concerns. Large trucks experienced in 1979-80 almost twice the fatal accident rate per mile as did passsenger cars. The truck fatal accident rate is 5.3/100 million vehicle miles compared with 2.8/100 million miles for automobiles. The fatal accident rate for combination trucks is higher than for trucks as a class (8.6/100 million miles) and three times of automobiles (see Table 1).

TABLE 1

FATAL ACCIDENT RATES BY TYPE OF VEHICLE

| Type of Vehicle | Fatal Accidents/ 100 Million VMT |
|---|---|
| Total Large Trucks | 5.3 |
| Combination Trucks | 8.6 |
| Single Unit Trucks | 2.3 |
| Passenger Cars | 2.8 |

Reference: Large Truck Accident Causation,
DOT, July 1982.

While the proportion of all fatal crashes involving trucks has remained at 11-12 percent since 1977, during this period the "relative risk of death to occupants of passenger cars has been increasing," according to the Insurance Institute for Highway Safety. In 1977 a car occupant was 22.9 times more likely than a truck occupant to be killed in a fatal large truck-auto crash; in 1980, this rose to 30.6 times more likely. For crashes involving combination trucks the relative risk to auto occupants is even higher. (See Table 2).

TABLE 2

RELATIVE RISK OF DEATH FOR OCCUPANTS IN

TWO-VEHICLE FATAL ACCIDENTS

| Vehicle A--Vehicle B | 1977 | 1980 |
|---|---|---|
| Passenger Car-Single Unit | 16.7 | 25.6 |
| -Combination | 26.0 | 32.9 |
| -Other Vehicle* | 1.2 | 1.2 |

*Motorcyle, bus, light truck, van

Source: Large Truck Accident Causation, DOT, July 1982.

Safety concerns raised by these facts are significantly compounded by the vast network of highways, designated by the Department of Transportation, on which the longer and wider trucks are permitted to operate. The DOT route designations violate Sections 411 and 416 of the STAA of 1982. DOT designations include primary highways whose lanes are less than 12 feet wide and primaries which cannot safely accommodate the longer trucks. In Georgia, for example, DOT's interim designations published on April 5, 1983, included over 100 miles with only 10 foot lanes and many two-lane roads through mountainous areas. Several states took formal action against DOT's designations, including Vermont, Pennsylvania, Connecticut, Alabama and Georgia. New Jersey's Governor Thomas Kean was quoted in the New York Times stating, "the government has proposed to us a totally unsafe system" (April 8, 1983). EPI believes DOT's designations violate the STAA of 1982 and compromise public safety. The Secretary of Transportation should be required to make route by route designations, to determine those routes which can safely accomodate the larger vehicles.

**CONCLUSION:**

In conclusion, the Environmental Policy Institute finds that a weight-distance tax represents the most equitable heavy truck tax and recommend its implementation in lieu of the tax structure enacted in the STAA of 1982. Experience in states with weight-distance taxes has shown that it is administratively feasible and poses neither a financial nor record-keeping burden for trucks subject to it. We strongly oppose changes to the existing heavy truck use tax which would substitute a diesel differential or a diesel differential and reduced use tax. Such options reestablish tax inequities, which the STAA of 1982 sought to eliminate and unfairly shift the tax burden from the heaviest trucks to lighter trucks and other highway users. We strongly oppose the extensive network of national highways which DOT has opened up to the longer and wider trucks and believe these designations violate the law. We believe DOT should be required to make route by route designations of only those routes which can safely accomodate the larger trucks.

That concludes my statement. I would be happy to answer any questions of the Committee.

Thank you, Mr. Chairman.

## Attachment 1

### Estimated Federal Highway Cost Responsibility of Selected Vehicle Classes

(Cents per Mile, 1985)

| | Pavement Cost Responsibility | Other Cost Responsibility | Total Cost Responsibility |
|---|---|---|---|
| Automobiles and Motorcycles | 0.08 | 0.39 | 0.47 |
| Pickups and Vans | 0.16 | 0.40 | 0.56 |
| Single Unit Trucks less than 26,000 pounds | 0.52 | 0.57 | 1.09 |
| Single Unit Trucks 26,000 pounds and above | 1.83 | 0.81 | 2.64 |
| Combination Trucks less than 50,000 pounds | 2.25 | 1.11 | 3.36 |
| Combination Trucks 50,000 to 70,000 pounds | 2.77 | 1.30 | 4.07 |
| Combination Trucks 70,000 to 75,000 pounds | 3.97 | 1.52 | 5.49 |
| Combination Trucks 75,000 and above | 5.71 | 1.58 | 7.29 |

Note: Assumes a $12.8 billion program; $1.1 billion transit cost allocated to vehicles based on urban VMT; $11.7 highway cost allocated to vehicles based on the highway cost allocation study.

Source: DOT Working Paper on Tax Alternatives
to Heavy Truck Use Tax

# HEAVY TRUCK SUBSIDIES: THE NEED FOR A NATIONAL WEIGHT-DISTANCE TAX

By Harriet Parcells

Assistance by Cynthia Koehler

Environmental Policy Institute
September 22, 1983

The following is excerpted from the above named report. The complete report has bee retained in committee files.

# EXECUTIVE SUMMARY

## ROAD DESIGN AND ROAD WEAR:

Road wear is due primarily to use. Weather and age effect pavement deterioration as well, but to a large extent their impact depends on the amount and weight of traffic passing over the road. Use is the critical factor because pavement damage increases exponentially with increases in vehicle axle weight. This was established by the American Association of State Highway Officials (AASHO) Road Test which was Congressionally mandated in 1956 to generate detailed information about highway wear for the purposes of designing the Interstate System. A "Fourth Power Rule" was derived from the AASHO results which states simply that pavement wear increases to the fourth power with increases in axle weight. The AASHO Road Test findings have been well accepted by highway officials and engineers and other highway experts ever since and serve as the basis for highway design throughout the country.

The AASHO Road Test Results indicate that a 5-axle truck loaded to the 80,000 lb. maximum has the impact of approximately 8,000 automobiles.

When the decision is made to build a road, a vehicle count is taken to estimate which vehicle classes and in what numbers will use the road. Taking travel and growth into account, a 20 year use estimate is projected for each vehicle class. While our highways were designed to last 20 years, an underestimate in the weight and/or number of heavy vehicles will cause them to reach design life prematurely.

Increased truck axle weights and increased heavy truck travel, beyond estimates used to design our highways, are causing them to wear out prematurely. The bulk of the Federal-Aid Highway System, and in particular the Interstate, was designed for vehicles at lower weight standards than those currently in place. From 1956 to 1975, the weight limits on heavy vehicles were 18,000 pounds for a single axle, 32,000 for a tandem axle and 73,280 gross vehicle weight. By the time these standards were increased in 1975, 90 percent of the Interstate was built. The standards were increased to allow up to 20,000 lbs. single axle, 34,000 lbs. tandem axle, and 80,000 lbs. gross vehicle weight. Highway officials have testified that the increase from 18,000 pounds to 20,000 could result in an average loss of remaining highway life of between 25% and 40%. An increase further, to 22,000, would result in a loss of highway life of close to 60% and 24,000 of 70%. In addition to heavier axle weights, heavy truck mileage has also increased. Truck travel increased at a rate of 7 percent since 1975, more than double that of automobiles and vehicles as a whole. Truck travel has been increasing most among the heaviest vehicles.

## NATIONAL COSTS OF DETERIORATED HIGHWAYS AND BRIDGES:

The cost to arrest deterioration on our nation's highways and bridges is staggering--$282.7 billion will be needed over the next 20 years to stop deterioration on the federal-aid highway system (excluding Interstate completion costs) and an additional $48.9 billion is needed for bridge repair or replacement. Thus, an average annual investment of nearly $17 billion is needed. Revenues for maintenance and repair are not keeping pace with the need, resulting in the practice of deferred maintenance. This ultimately leads to increased costs for repair. Poor pavement also leads to increased vehicle operating costs for highway users and increased fuel consumption. It is clearly imperative that all users of the highways pay for the costs they incur.

## HIGHWAY COST ALLOCATION:

To determine if the various classes of vehicles using the highways are paying their equitable share of highway costs, many states and the federal government have conducted highway cost allocation studies. The basic principle underlying cost allocation is that certain highway costs are incurred specifically to accommodate vehicles of different sizes, weights and axle loadings. These expenditures are "attributed" to these vehicles and should be paid by them. Other expenses which are not clearly linked to any particular vehicle class (i.e., basic pavement, traffic signals) are called "common" costs or "residual" costs and are assigned to all users of the highway in an equitable manner.

A cost allocation study consists of several major components: a) definition of costs to be analyzed; b) assignment of cost responsibility among various classes of vehicles using the highway; c) assessment of tax payments by each vehicle class to support the highway and a comparison with their cost responsibility to determine whether all classes are paying their "fair share" in taxes; and d) recommendations for change in the existing tax structure to correct for underpayment or overpayment in taxes by vehicle classes.

There are two major categories of highway costs: new construction costs and costs for repair of the existing system. Repair costs are more use-related and therefore, a greater percent of the costs can be "attributed" to individual vehicle classes than in new construction where more costs are "common" to all users of the highway. As highway program funding priorities shift from new construction to repair and reconstruction work, the cost responsibility of trucks, in particular, will increase.

Past federal cost allocation studies have suffered two major deficiencies: they have assigned responsibility for new pavement and repair costs in the same proportion and they have tended to be heavily weighted toward common costs. These practices result in an underassignment of costs to the heaviest vehicles. The new federal study (May 1982) represents a major improvement over earlier federal studies because it assigned new pavement and pavement repair costs according to different criteria. New pavement costs were based on current pavement design practice and pavement repair and reconstruction costs were assigned on cost-occasioning or distress criteria. As pavement costs are the largest component of federal highway expenditures, this improvement has a major impact on the study outcome.

The new methodology has been endorsed by state highway and transportation officials throughout the country and other highway experts. The trucking industry has asserted that weather and environmental factors were not considered in the new federal study. Yet, the Department of Transportation has stated that the approach specifically accounts for the effects of weather and other environmental factors. The trucking industry is virtually alone in its opposition to the new cost allocation study.

## HIGHWAY COST ALLOCATION STUDY FINDINGS:

Numerous state and federal cost allocation studies have been conducted over the past years to examine the question of cost responsibility and tax equity. Despite variations in methodology, the finding of underpayment by the heaviest vehicles and overpayment by lighter vehicles emerges time and again.

The first federal cost allocation study, mandated by the Highway Revenue Act of 1956 and known as the

Section 210 Study, showed that autos were overpaying by $1.6 billion, single unit trucks by $337 million and combinations were underpaying by $65 million. The new Federal Highway Cost Allocation Study, delivered to Congress May 1982, was mandated by Congress in the Surface Transportation Assistance Act of 1978. It was the first time Congress had requested a cost allocation study since 1956. The study found that trucks as a class are responsible for fully 70 percent of pavement rehabilitation costs and 53 percent of new pavement costs. Combination trucks will be responsible for 58 percent of the pavement rehabilitation costs and 47 percent of new pavement costs in 1985. Autos, by contrast, will be responsible for only 15 percent of pavement repair costs and 34 percent of new pavement costs.

The federal study found further that the heaviest vehicles are only paying about half their cost responsibility while automobiles and light trucks are overpaying. In 1977, passenger vehicles were overpaying (111 percent of their responsibility) while trucks as a class were paying only 79 percent and the heaviest combination trucks were only paying 45 percent of their cost responsibility. The subsidy to combination trucks in 1977 totaled $738 million or an underpayment of $721 per vehicle. The heaviest combinations (over 75,000 lbs.) were being subsidized by $1,750 per vehicle.

The states of Georgia, Florida, Mississippi, Colorado and others all found significant underpayment in taxes by the heaviest vehicles and overpayment by lighter vehicles in their cost allocation studies, as shown in the table below.

SUMMARY TABLE FROM STATE HIGHWAY COST
ALLOCATION STUDIES (FOR 80,000 LB. TRUCKS)

| | Ratio<br>Hwy User Charge Payments : Hwy Cost Responsibility | | |
|---|---|---|---|
| State | Autos | Light Trucks | Heavy Trucks |
| Colorado (1981) | 1.22 | 1.24 | .56 |
| Florida (1979) | 1.04 | 2.15 | .50 |
| Georgia (1979) | 1.03 | .89 | .44 |
| Mississippi (1980) | | | .54 |
| Oregon (1980) | 1.00 | 1.25 | .92 |
| Maryland (1982) | 1.17 | .83 | .51 |
| Ohio (1982) | .90 | 2.25 | .35 |
| Federal Government (1982) | 1.10 | 1.50 | .60 |

## A NATIONAL WEIGHT DISTANCE TAX - THE MOST EQUITABLE HEAVY TRUCK TAX:

Most existing highway tax structures are not good assessors of cost responsibility. Fuel consumption, for example, rises slowly in relation to weight while damage rises exponentially. The per-mile responsibility of a typical 80,000 lb. truck is double that of a typical 50,000 lb. truck; but the 80,000 lb. truck uses only about 14 percent more fuel. Registration fees are also deficient in matching cost responsibility. Registration fees which graduate with weight fail to reflect variations in travel by a vehicle from year to year and also assess all vehicles in the same weight class equally, despite the fact that their mileage may vary significantly. This is a major deficiency in the heavy truck use tax enacted by the Surface Transportation Assistance Act of 1982.

A weight-distance tax represents the most equitable heavy truck tax the government can implement. A weight-distance tax overcomes the inadequacies of diesel fuel taxes and registration fess, by correctly matching cost responsibility with tax payment. Under the weight-distance tax, a graduated tax schedule is set up whose rates increase with the increased weight of the vehicle.

Eight states have implemented weight-distance taxes: Arkansas, Arizona, Kentucky, New Mexico, New York, Ohio, Oregon and Idaho (two other states, Colorado and Wymoming have enacted ton-mile taxes). Experience in states with weight-distance taxes has demonstrated that the tax is no more difficult to administer than many other taxes. The information needed to implement a weight distance tax is already being collected by most states and therefore, little or no additonal recordkeeping burden is placed upon the trucking industry.

State experience also indicates that the tax is not costly to administer, contrary to assertions of opponents of the tax. Administration for weight-distance taxes has run about 3-5 percent of the revenues collected; for ton-mile taxes, the administrative costs are a little higher, 6-8 percent of revenues.

Allegations by the trucking industry that a weight-distance tax places a tremendous burden on motor carriers are not supported by state experience. Weight-distance taxes require only two kinds of recordkeeping information: registered truck weight and number of miles travelled. Both are already collected by most states and/or required by the federal government. Motor carriers are required to declare the maximum gross weight of their trucks for the federal highway use tax and for registration in many states. All but two states now require interstate truckers to file mileage reports and maintain trip records for each truck subject to fuel use laws or the International Registration Plan (IRP), a multi-state vehicle registration plan. While most states do not now require mileage records from intrastate carriers, the added enforcement costs of a federal requirement for these vehicles would likely be modest, as most would fall below the weight threshold set for a national weight-distance tax (i.e., threshold at 50-55,000 lbs.). Alternatively, intrastate trucks could be given the option of continuing to pay a flat annual fee.

Neither does such a tax impose a significant financial burden on the carriers. For example, the tax burden on trucks subject to the Oregon weight-distance tax averaged 3.4 percent of total truck operating expenses in the state in 1976. This dropped to 2.7 percent in 1979 as other operating costs became bigger factors for trucking firms (ie, labor costs and fuel). A federal tax would, similarly, only constitute a small portion of total operating costs. The federal Department of Transportation found in its highway cost allocation study that each of the tax increase options presented in the study would have only a small impact on any of the vehicle classes. The increase for combination trucks, which experienced the largest increase, would be less than 2 percent and for the heaviest combinations, less than 4 percent. Moreover, DOT found that user charges as a percent of total vehicle costs will fall in 1985 compared to 1977.

A wide spectrum of groups across the country have endorsed the concept of a weight-distance tax. The Environmental Policy Institute believes a weight-distance tax constitutes the most equitable heavy truck tax government could implement and urges adoption of such a tax at the national level.

## HEARINGS OF THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

FEBRUARY 1, 1984

## TESTIMONY OF KATHERINE I. HALL
## CENTER FOR AUTO SAFETY

Mr. Chairman and members of the Committee, my name is Katherine Hall and I am an attorney at the Center for Auto Safety. I would like to thank you for the opportunity to testify today.

My testimony will be limited to two areas pertaining to the Surface Transportation Assistance Act of 1982 ("STAA"), as amended. First, I will discuss the manner in which the Department of Transportation has designated certain federal-aid highways for use by longer and wider vehicles than previously permitted on many of those highways. Second, I will state the Center's views on Senate Bill No. 1048.

At the outset, I would like to emphasize that the Center for Auto Safety's interest in these issues is premised on our belief that the use of larger trucks on particular highways will increase the number of deaths and injuries suffered on this country's highways. In recent years, approximately 50,000 people have died in traffic accidents annually. The enormity of this highway safety problem requires that increased efforts be made to reduce these deaths and injuries. Under no circumstances should the Congress, or any executive agency, act in any manner that threatens to increase this tragic toll.

Unfortunately, the Department of Transportation, in proceeding to implement certain provisions of the STAA, has issued rules that are virtually guaranteed to increase the number of highway deaths and injuries. These rules establish a system of federal-aid highways that may be used by the longer trucks, permitted by section 411 of the STAA, and wider trucks, permitted by section 416 of the Act. In making these designations, the Department has openly ignored the safety criteria contained in the width and length provisions of the Act.

The Act contains distinct and separate safety criteria that the Department is directed to use in designating highways available for use by longer trucks and wider trucks. Under the Act, longer trucks may use Interstate highways and, additionally, may use certain federal-aid primary highways that the Secretary determines may safely accommodate these vehicles. The Secretary, however, violated the Act by designating many thousands of miles of primary highways without making the required determination regarding whether these particular highways could safely accommodate the longer trucks. Instead, FHWA established a procedure whereby the states may petition the agency to remove a highway from the designated system on the grounds that the highway is unsafe for the longer trucks. This procedure does not protect the public's safety. Once a highway is designated by the Secretary, that highway immediately becomes available for use by the larger trucks. If the highway is unsafe for the longer vehicles, accidents may well occur before the FHWA considers the states' request for deletion of the highway from the designated system. Indeed, these belated evaluations may be made only after numerous people have been killed or injured because of the hazards created by these large trucks on unsafe highways.

It is important to note that the need for a detailed safety evaluation of each designated highway has been underscored by the FHWA itself. For example, FHWA has admitted that "differences in terrain, highway design, traffic characteristics and other factors influence the relative safety of specific highway segments."[1] It is precisely because these differences exist that -- if needless deaths and injuries are to be avoided -- FHWA must evaluate the safety of highway segments before the highway is opened to larger trucks.

FHWA's current designations include numerous two-lane, two-way roads that should not be used by longer trucks. According to one of FHWA's own Regional Administrators, these routes are inadequate from a geometric and safety standpoint. One of the serious hazards presented by the operation of larger trucks on these roads involves passing maneuvers. For example, a small passenger car may attempt to pass a 65' long tandem-trailer truck and find that it is virtually impossible to complete, or even to abort, this maneuver in time to avoid a collision with oncoming traffic.

FHWA has likewise violated the safety criteria, contained in the STAA, for designating highways for wider vehicles. Section 416 of the STAA forbids the Department from designating any roads as available for use by the wider trucks unless the designated highways have traffic lanes at least twelve feet wide.

---

[1] Truck Size and Weight -- Designation of Final System of Qualifying Highways On Which Certain Size Trucks May Operate -- Environmental Assessment, Truck Size and Weight, August 25, 1983 at 15.

Notwithstanding the clarity of this Congressionally-imposed standard, FHWA has designated many thousands of miles of highways with lanes less than twelve feet wide for use by wider trucks. Obviously, extra wide trucks on narrow highways leave little, if any, margin for error, thereby increasing the possibility of accidents.

The safety hazards presented by FHWA's designations have resulted in several lawsuits. Soon after the agency published its designations on April 5, 1983, five states brought suit against the Department of Transportation challenging the legality of the designations. In at least three instances, federal district court judges, persuaded that the FHWA's designations would result in a serious threat to public safety, issued temporary restraining orders forbidding the agency from enforcing these designations. FHWA responded to these lawsuits by immediately withdrawing all designations objected to by each of these five states.

It is fortunate that five states had the courage to institute legal action to force the deletion of dangerous highways from the designated system. Indeed, we believe the fact that five states were willing to sue FHWA -- the very agency that dispenses billions of dollars of federal highway funds to the states every year -- bears witness to the fact that the highways designated by FHWA were extremely hazardous for use by these larger trucks.

The Center itself, along with the Environmental Policy Institute, has also brought suit against the Department of Transportation regarding the Department's designations. The Center's suit requests that the current designations be withdrawn until the Secretary has complied with the safety criteria set forth in the Act. Our suit contends that the Secretary has no authority to designate any primary highways for longer trucks until the required safety evaluations have been made, and that the Secretary must restrict all designations for wider trucks to highways with lanes at least twelve feet wide.

I would like to stress at this point that the Center is not an anti-truck organization. We recognize the importance of trucks in moving commercial goods. But commerce moved freely before the enactment of the new length and width provisions of the STAA, and no national crisis has occurred that necessitates that larger trucks immediately be permitted on additional highways. Given this lack of urgency, the Secretary should proceed cautiously in making designations so as to ensure that deaths and injuries do not result from the use of larger trucks on highways that cannot safely accommodate them. Truck drivers, as well as passenger car occupants, stand to benefit from a cautious designation process.

The second area of my testimony today concerns proposed Senate Bill No. 1048 -- the Tandem Truck Amendments of 1983.

One section of this bill would amend section 411 of the STAA in a manner that would not automatically open all Interstate highways to longer trucks. The bill would transfer the designation authority from the Secretary of Transportation to the states. The Center supports amending the Act so that all Interstate highways are not required to be open to longer trucks. Some Interstate highways -- particularly in congested urban areas -- are not suitable for the longer tractor-semi-trailors and double bottom trucks now permitted on these highways under the present Act. The Center does not, however, agree that designation authority should be transferred to the states, although we believe that the Department of Transportation should seriously consider any state's objections to the inclusion of any particular segment of its Interstate system within the designated system.

Another section of S. 1048 would require the Secretary of Transportation to determine the standards and operating characteristics which are required to safely accommodate the vehicle lengths and configurations set forth in the STAA. It directs the Secretary to consider such factors as roadway and ramp geometry, lane widths, accident experience, congestion, and the extent of state control of such highways. The Center supports this amendment. We believe that there is an urgent need for the Secretary to establish standards that will govern the designation of highways for longer trucks. The issuance of such standards should aid in bringing consistency to the designation process and should assist the Secretary in guaranteeing that unsafe highways are not designated for use by the longer trucks. We think the Secretary should have established such criteria before designating any highways in the first instance, and that this amendment is needed to compel the Department to establish such standards.

Thank you again for the opportunity to testify. I will be happy to answer any questions you may have.

# STATEMENT
# OF
# WILLIAM H. DEMPSEY
# PRESIDENT, ASSOCIATION OF AMERICAN RAILROADS

---

ON

HIGHWAY USER CHARGES

---

HEARING BEFORE THE
UNITED STATES SENATE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
SUBCOMMITTEE ON TRANSPORTATION

---

FEBRUARY 1, 1984

I am William H. Dempsey, President of the Association of American Railroads. I appreciate this opportunity to comment on highway user charges, an issue of continuing competitive interest to the railroad industry.

Over a year ago, the 1982 Surface Transportation Assistance Act (STAA) increased federal highway user charges on heavy trucks for the first time since 1961. After a 21-year period in which highway costs more than tripled while user charge rates remained fixed, it is not surprising that substantially higher fees were needed. Yet despite the recent increase, federal highway user charges on heavy trucks still fall well short of full cost responsibility. This is particularly true for the trucks loaded most heavily (those vehicles above 75,000 pounds gross registered weight) and traveling the greatest distances. Under the new taxes, the heaviest trucks will pay only 70 percent of the costs assigned to them in the 1982 Federal Highway Cost Allocation Study.

Federal user charges remain a small percentage of heavy truck operating costs, amounting to about 2 percent of the cost per mile for a typical vehicle. Even when they are fully phased-in, as late as 1989 for owner-operators, federal user charges will represent, in fact, an even smaller percentage of truck costs now than they did in 1961, when the rates were last adjusted.

Yet the trucking industry is demanding further user charge reductions. The proposed reductions appear even more inappropriate when considered in light of the major benefits the 1982 STAA provided truckers by increasing vehicle size and weight limits.

The 1982 STAA was a compromise which, taken as a whole, very much favors the trucking industry. To soften the impact of long overdue federal user charges increases, Congress granted the trucking industry permission to operate substantially larger trucks on all of the nation's interstate and many of its primary highways. The new limits increase truck capacity by as much as 31 percent. According to figures prepared by the Department of Transportation, the benefits of bigger trucks outweigh the user charge increase by more than three to one. The comparison is a bit misleading, however, since the increased user fees were necessary and appropriate even without an increase in truck sizes and weights.

In implementing the liberalized size and weight limits, the U.S. Department of Transportation has designated a very extensive highway network on which the bigger trucks may run, allowing the industry to realize the maximum advantage from their use. With heavier payloads and larger, more awkward trailers, the new limits will increase highway costs, as many state officials have testified.

Now that the trucking industry is beginning to reap the benefits of larger trucks, it is demanding that the other side of the compromise -- the increases in user fees -- be repealed.

Certainly not all representatives of the trucking industry subscribed to this compromise, nor do all firms benefit equally from it. But it would be inappropriate and probably impossible to single out individual firms for special treatment under the highway user charge system. And while a major segment of the industry is deriving large benefits (at a significant public cost) for increased weight and size limits, it would be even more unfair to reduce user charges for heavy trucks as a class.

Under their most widely-discussed proposal, the truckers would replace the heavy vehicle use tax with a phased-in five cent per gallon increase in the diesel fuel tax. According to the U.S. DOT which has just issued its Report to Congress on "Alternatives to Use Tax on Heavy Vehicles", this proposal would cut Highway Trust Fund revenue by $2.2 billion in the period from FY 84 to FY 88, reducing the funds available for badly needed highway and bridge repair.

A higher fuel tax rate might solve the problem of inadequate revenue. Even this is not certain, however. Higher fuel tax rates encourage evasion, particularly since diesel fuel has untaxed substitutes such as home heating oil.

The diesel tax is likely to prove an unreliable revenue source in the long run. Projected gains in heavy combination fuel economy could cut future revenues significantly. Under a 14 cent per gallon diesel tax, the difference in 1988 revenue if heavy combinations averaged 7 instead of 5.7 miles per gallon would be $400 million. Such fuel economy gains are entirely realistic and even better fuel efficiency is now attainable with new engines.

In addition to these revenue problems, the diesel differential is inequitable. Fuel tax payments are based on fuel consumption, a poor index of highway cost responsibility. Greater reliance on fuel taxes reduces the share of user fees paid by heavy combinations. The problem worsens as over-the-road trucks become more fuel efficient. Analysis in the U.S. DOT's January 1984 Report to Congress shows the inequity which would result if the use tax were replaced with an increased diesel fuel tax. The Report stated that, "Raising the diesel fee and eliminating the heavy vehicle use tax as in H.R. 2124 ... does not adequately maintain the existing equity, as the tax burden would be shifted even more unfairly from heavier vehicles to light ones." The Report also shows that the heaviest combination (75,000 pounds gross weight or more) will pay only 66 percent of their cost responsibility under the STAA fees. H.R. 2124 would reduce this to 58 percent.

In attempting to obscure the heavy truck underpayment, the trucking industry has attacked the validity of the 1982 Federal Highway Cost Allocation Study, claiming that it is biased against heavy trucks. The truckers favor a return to the approach used in previous federal studies, the "incremental method." The Department of Transportation, the Congressional Budget Office, and a panel of experts convened by the Transportation Research Board carefully considered and rejected the incremental method. They agreed that it cannot properly address the problem of assigning pavement rehabilitation costs, a large and growing part of the federal budget, and that it is inherently biased in favor of large vehicles.

FHWA developed a new approach based on extensive research on the relationship between axleloads and pavement wear and on the effects of the environment on highway deterioration. Several years of research and millions of dollars went into the effort. The new methodology has been endorsed by many groups, including the American Association of State Highway and Transportation Officials and the Congressional Budget Office. It places highway cost allocation on a much sounder basis in economic and engineering principles.

We do not propose to reopen the question of highway cost allocation. The 1982 study represents an objective and sound analysis of highway cost responsibility. It is, in fact, generous to the heavy trucks in one very important way. It arbitrarily assigns residual costs, which amount to nearly half of all federal highway expenditures, in proportion to vehicle-miles-traveled. As Federal Highway Administrator Barnhart stated in testimony before this Subcommittee in 1982, "This choice of vehicle miles traveled is somewhat arbitrary and was made in lieu of other travel measures that would have charged trucks more." The cost responsibility standard that heavy trucks even now fail to meet therefore represents a conservative estimate of their share of highway costs.

The 1982 STAA greatly improved the federal user charge structure. Under the new fees, all vehicles will come much closer to paying their proper share of highway costs. Despite these significant improvements, the present tax structure does have some drawbacks. The use tax on heavy vehicles accurately reflects vehicle weight, but it does not vary with mileage, the other major factor determining cost responsibility. Exemptions for low-mileage vehicles and part-year registrations help to minimize this problem. The excise tax on new trucks probably reflects highway cost responsibility less accurately than any other user charge, since it is related neither to weight nor mileage.

A federal weight-distance tax in place of these two taxes and the tire tax would greatly improve the federal user charge system. Such a weight-distance tax, much like DOT Tax alternatives 10 and 11 in the January 1984 Report to Congress, would permit a much closer match between user charge payments and highway cost responsibility, ensuring that each vehicle pays an appropriate amount. Weight-distance taxes are also paid only for actual highway usage. Truckers idled by economic conditions would pay lower fees.

The DOT Report endorsed the weight-distance tax, concluding that:

> "The principle and compelling advantage of a weight-distance tax is that it taxes directly those characteristics that should be taxed as a measure of costs imposed upon the highways by users. It is the only tax instrument that addresses precisely the trucking industry's major criticism of the heavy vehicle use tax -- that is its insensitivity to mileage variation.
>
> There appear to be no insurmountable reasons why a simple weight-distance tax could not be imposed at the national level. From the perspective of the truck operator, it requires only that the operator know the registered gross vehicle weight of the truck and the total miles driven during the taxable period."

If the question of highway user charges is to be reopened, we would strongly urge that the goal be a weight-distance tax. There is no urgent need for any change at this time. But if there is to be any change, it should be to improve the federal user charge system, not to degrade it as the proposed diesel differential tax would do.

THE FERTILIZER INSTITUTE
1015 18th Street, N.W.
Washington D.C. 20036

(202) 861-4900
Telex: 89-2699

GARY D. MYERS
President

February 1, 1984

The Honorable Steven D. Symms
Chairman
Subcommittee on Transportation
Senate Environment and Public
  Works Committee
410 Dirksen Senate Office Building
Washington, D. C.  20510

Dear Mr. Chairman:

On behalf of the fertilizer industry, we respectfully request that this letter be entered into the record as The Fertilizer Institute's comments in regard to the Transportation Subcommittee's February 1, 1984 oversight hearings on the implementation of the Surface Transportation Assistance Act of 1982 (P.L. 97-424).

The Surface Transportation Assistance Act of 1982 implemented a heavy vehicle use tax on commercial motor vehicles. In analysis of the heavy use tax, we find that seasonal, relatively low mileage highway vehicles such as those used in agriculture and especially for fertilizer delivery and application will be required to pay a user fee equal to over-the-road transport traveling thousands of miles a year. We contact you seeking your support for modification of the heavy vehicle use tax that would ensure a fair relationship between the tax and vehicle mileage operation.

The intent of the highway use tax was to collect from highway users, revenues for highway maintenance and bridge repair. Unfortunately, the heavy vehicle use tax as a flat tax, penalizes seasonal transportation operations such as fertilizer delivery and application. We recognize the 5,000 mile exemption available in the law. However, our members indicate that level is too low to be of assistance.

On July 1, 1984, the heavy use tax will be increased from $284 a year to $1,600 per year per vehicle. We urge you to review this issue and support prompt legislative action eliminating what we feel is an inequity in the law.

Please do not hesitate to contact me or my staff if we can be of any assistance to you.

Sincerely,

Gary D. Myers

cc: Members, Subcommittee on
      Transportation

# IMPLEMENTATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

---

WEDNESDAY, FEBRUARY 29, 1984

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
*Washington, D.C.*

The subcommittee met at 10:07 a.m., in room SD-342, Dirksen Senate Office Building, Hon. Robert T. Stafford (chairman of the full committee) presiding.

Present: Senators Stafford, Symms, Abdnor, Randolph, and Lautenberg.

## OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator **STAFFORD** [presiding]. The Committee on Environment and Public Works will please come to order.

This morning is my first opportunity as chairman of the committee to welcome our colleague, Senator Lautenberg, to the committee. I am very happy you are here, Frank, as I told you personally, and I would like to have it appear on the record that you have become a member of this committee.

Senator **LAUTENBERG**. Thank you. I look forward to serving.

Senator **STAFFORD**. For the committee, I wish to welcome the witnesses who will be testifying before the Subcommittee on Transportation of the committee. Today's hearing is a continuation of a series of hearings which are being held to examine the implementation of the Surface Transportation Assistance Act of 1982. The committee is very interested in testimony that will assist it in evaluating highway revenue and program needs.

The most critical concern at the present is the approval of the interstate cost estimate [ICE] and the interstate substitute cost estimate [ISCE]. Over 30 States are now without sufficient interstate construction funds to continue their interstate program. The completion of the interstate program has been the Federal Government's highest priority. And yet, it is inaction at the Federal level that is jeopardizing the States' ability to complete the system. The construction season is beginning, and if the ICE is not approved shortly, we face the possibility of losing an entire construction season. Projects have already been delayed which result in additional costs.

So much progress has been made since the STAA was enacted a little over a year ago. An enormous effort went into winning passage of the 1982 act, but it was well worth it, as we realized that States would be assured of the increased and long-term funding so essential for effective project planning to be done. Since April 1 of 1983, the nickel-a-gallon tax increase has been in effect. But those revenues are accumulating in the highway trust fund and not being invested as was intended in the highway program.

I can't emphasize enough the urgency of the situation. It is imperative that Congress approve the ICE and the ISCE so that those funds which should have been available to States beginning October 1, 1983, can be put to work. Our highway needs are substantial, the additional revenues are on hand, and it is time that we approve the interstate estimates so that over $5 billion can be made available for new contracting.

There are other serious concerns at present, too, particularly over the financial condition of the highway trust fund. Even with a significant increase in funding for the Federal-aid highway program due to increased user fees, the outlays from the highway account of the trust fund will exceed revenues by 1989 according to projections by the Congressional Budget Office. In that case, Congress will have the choice of once again raising taxes or reducing authorizations.

Concurrently, there are an increasing number of proposals being made for additional authorizations and specific demonstration projects. Obviously, this could impose a further strain on the trust fund cash balance.

Today the subcommittee will hear testimony on the implementation of the STAA of 1982. It is my view that while some technical corrections to the act may be in order, implementation of this comprehensive and complicated legislation should be allowed to proceed and given a chance to work before we decide what major changes, if any, should be made.

Witnesses will also be discussing pending legislation, the administration's highway budget proposal for fiscal year 1985, the projections for the highway trust fund and future needs of the Federal-aid highway program.

I look forward to hearing from our witnesses this morning, and I am delighted that the distinguished chairman of our subcommittee, Senator Steve Symms, has arrived. Steve, do you have an opening statement?

## OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. Thank you, Mr. Chairman, I do, and I can't tell you how much I appreciate your leadership in this committee. I also appreciate your being able to be here this morning, because we have a markup going on in the Finance Committee. I will have to excuse myself shortly and go down to the other meeting, but I would like to make a brief opening statement and to make the point that we want to welcome our distinguished witnesses this morning, and we are glad to see Senator Lautenberg with us here this morning, also.

Today's hearing is being held to receive testimony on the implementation of the Surface Transportation Assistance Act of 1982 and on the future needs of the Federal highway program. This is the second in a series of hearings which began earlier this month and will continue into next month. I want to welcome the distinguished witnesses who will be testifying this morning before the Subcommittee on Transportation of the Committee on Environment and Public Works.

The STAA of 1982 represents a major advance for everyone in this country who relies on a sound, national transportation network. It is essential for the economic recovery and growth of America that our roads and bridges be well constructed a well maintained. Prior to passage of the 1982 act, there was a concern that we might not be able to meet the critical rehabilitation and construction needs of our highway system. But with a 50-percent increase in funding for the Federal-aid highway program, beginning in fiscal year 1983, it became possible for our transportation infrastructure problems to begin to be addressed.

The Federal Highway Administration moved quickly in apportioning funds to the States and in implementing the new provisions of the STAA. The States also responded quickly in obligating those funds, going from an $8 billion obligation rate in fiscal year 1982 to $13.2 billion in fiscal year 1983. Unfortunately, beginning in fiscal year 1984, this momentum has been lost, at least temporarily.

This is because the interstate cost estimate and interstate substitute cost estimate have not yet been approved by Congress, despite the concerted efforts of members of this committee. We have asked taxpayers across the country to pay additional taxes for almost a year. The balance in the highway trust fund is growing. And, we still have no means for releasing over $5.4 billion in interstate construction, interstate transfer, and minimum allocation funds to the States. Approval of these two estimates should have been a simple and noncontroversial matter, but States are now 5 months into the present fiscal year with no end in sight to the delays in funding and disruptions to those programs caused by Congress failure to approve the ICE and ISCE.

So many persons worked so hard to pass the STAA of 1982 and I know they must be very distressed to see the damage that is being done to the highway program and to employment because these funds are being held hostage.

I believe it is unfair to ask the taxpayers to continue to pay taxes for services they are not receiving. Because this issue has not been resolved, I have introduced legislation which will repeal the additional highway user fees imposed by the STAA until the ICE and ISCE are approved and the funds are released.

We have reached the point where the remaining costs of completing the Interstate System are pretty well fixed. I believe the time has come to enable the Federal Highway Administration to release the interstate funds each year administratively after making the necessary adjustments to the ICE. If Congress wishes to make any changes, it can do so at any time. While those decisions are made, however, States should be able to continue on with their programs without the kind of severe disruptions they are experiencing now.

Additionally, we are increasingly faced with a situation where requests for highway assistance are exceeding the amount of revenues available. It is no exaggeration to say that this year alone the number of special demonstration projects that have been requested in the Congress already total in excess of $1 billion in potential new authorizations.

Our witnesses today have been asked to address the following issues: The current and long-term status of the highway trust fund; the President's fiscal year 1985 budget proposal for the Federal-aid highway program; the roles of Federal, State, and local governments in financing our Nation's highway system; pending legislation; and implementation of the STAA of 1982.

The subcommittee is looking forward to hearing the views of today's witnesses on the overall implementation of the 1982 act as well as discussion of present and future highway revenue and program needs.

Senator STAFFORD. Thank you very much, Senator Symms. Senator Lautenberg.

## OPENING STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator LAUTENBERG. Yes. Very briefly, Mr. Chairman, I am pleased to be serving on this committee with you and on the subcommittee with Senator Symms. The committee, in general, covers a range of issues and concerns that are vital to the State of New Jersey and for me. It is an opportunity to get involved with issues that I have been watching since I have been here in the Senate and would like to participate in.

I am particularly pleased that the subcommittee is holding hearings today on the status of the Federal highway program. It is my first opportunity to sit as a member of the subcommittee, and I look forward to reviewing highway and mass transit programs with our witnesses.

As you know, Mr. Chairman, I come from a State for which highway and mass transit assistance is critical. New Jersey is the most densely populated State in the Union.

The Report of Infrastructure Needs released by the Joint Economic Committee indicates that New Jersey has a $1.5 billion backlog in maintenance and rehabilitation projects for roads and bridges.

Forty percent of our State roads are considered in poor shape; 16 percent of our bridges are rated poor or fair; several weeks ago we had a major bridge collapse in my State. New Jersey's mass transit needs are equally critical. In New Jersey, we have growth areas which need new roads and water systems, and cities with old and failing systems requiring extensive rehabilitation and reconstruction.

Of course, our State is not alone in these needs. The Joint Economic Committee report reflects a legacy of years of neglect in the national need for infrastructure improvements such as both growing and declining communities.

I am pleased to join the committee. I look forward to exploring the testimony of these witnesses.

Senator STAFFORD. Thank you very much, Senator.

Senator Randolph should be arriving shortly, he has submitted a statement which will be included in the record at this point.

[Senator Randolph's statement follows:]

### OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Mr. Chairman, I am pleased to join with you in welcoming our witnesses. This is indeed an important hearing. The future of the Federal-aid Highway Program is of great importance to all Americans.

The Committee must carefully analyze the implementation of the 1982 Surface Transportation Assistance Act, considering both individual program elements and the revenus issue in general. The four cents of the 1982 gasoline tax increase which went to the Highway Trust Fund was designed not only to meet current needs, but future demands as well. The Committee must carefully analyze whether these revenues will fund the program as authorized in 1982. The projections made by both the Congressional Budget Office and the Department of Transportation based on Treasury Department estimates are important indicators of the future of the Federal-aid Highway Program.

Responsible action by the Congress is necessary if we are to continue meeting the highway transportation needs of our citizens. We must look carefully at where the Federal interest exists with respect to various ongoing programs and new proposals for assistance which are being made by Members of both the House and Senate. Many Members are calling for changes in formulas, creation of new categories, or reinstatement of prior repealed programs.

It is our duty to examine these carefully. The witnesses here today and those who will appear during future hearings will assist us in developing legislation to continue funding a transportation network essential to all Americans.

Senator STAFFORD. I guess that brings us to the first witness, Hon. Rudolph Penner, who is Director of the Congressional Budget Office.

## STATEMENT OF HON. RUDOLPH PENNER, DIRECTOR, CONGRESSIONAL BUDGET OFFICE, ACCOMPANIED BY RICHARD MUDGE, CHIEF, PUBLIC INVESTMENT UNIT, AND ERIC HANUSHEK, DEPUTY DIRECTOR

Senator STAFFORD. Mr. Penner, we appreciate your coming up here. We have your full statement. We will place it in the record and invite you to summarize it if that is agreeable to you or read such parts of it as you may wish.

Mr. PENNER. Thank you, Senator. It is fairly short, and I think I can read the entire statement.

I am very pleased to appear before your subcommittee to discuss the financial condition of the highway trust fund and its implications for the current Federal highway program. In passing the Surface Transportation Assistance Act of 1982, the Congress made considerable progress in realining the Federal highway program with the most pressing current needs: The maintenance and repair of the Nation's highway system. At the same time, however, the increased authorizations in the 1982 legislation were not entirely accommodated by the increased taxes. As a result, the cash balance in the trust fund's highway account is being eroded, and by 1989 would be essentially eliminated.

Thus, the Congress faces difficult choices in striking a balance between increased highway revenues and decreased spending. My testimony today concerns options that the Congress might consider in achieving the desired balance.

The rationale underlying Federal involvement in highways rests with the need for a coordinated national road network to facilitate commerce and national defense. Though some parts of this network have proven able to support themselves as toll roads, the system as a whole still requires support. Indeed, the Federal financial commitment to highways has grown to account for about one-third of highway spending by all levels of government.

As the Congress recognized in passing the 1982 act, the most pressing highway need is to keep the existing roads in an adequate state of repair. This is particularly important for those roads of greatest importance to the economy, the Interstate Highway System. Though accounting for only 1 percent of all route-miles, the interstate carries 20 percent of the Nation's traffic, including one-half of all combination trucks. Virtually none of this mileage was in poor repair in 1972, but conditions have recently worsened as many roads and bridges passed their design lives without adequate maintenance. Department of Transportation estimates show that by 1981, more than 8 percent of the Interstate System was in poor condition.

From both a private and a public perspective, keeping roads in good repair is critical. As conditions worsen, overall transportation costs increase markedly. To highway users, vehicle maintenance costs rise as roads become rougher, as slower speeds and detours lengthen travel times, and as accidents become more numerous. Vehicle operating costs on a deteriorated road may range from 15 to 30 percent higher than the costs of using a road in good condition. Declining road quality also drives up public costs. The rate of road deterioration accelerated if needed repairs are not made, and in fact, about three-quarters of pavement deterioration occurs in the last 2 or 3 years of a road's life.

As a result, the long-run cost to the Government tends to increase as repairs are postponed.

The large increase in authorizations passed in 1982 should improve conditions on the Interstate System and maintain the rest of the Federal aid system at lest in its current condition. Of the new construction that remains, the most important part, completion of the last 4 percent of the Interstate System, should be finished by the early nineties. Because of continuing repair needs, however, it appears unlikely that achieving this goal would permit any sizable reduction in highway spending.

Thus, the Nation's highway needs continue to shift toward maintenance and repair. At the same time, the drawdown of cash in the trust fund raises concerns about its proper financial management.

The highway trust fund was created to provide a stable, long-term source of financing for the Federal highway program. Three general principles insure the financial soundness of the fund: First, cash on hand should cover expected outlays during any year; second, cash on hand plus future receipts should cover promised spending; and third, outlays and receipts must balance in the long term.

The most important financial control for the highway account is contained in the Byrd amendment. The Byrd amendment focuses on unfunded authorizations—that is, total unpaid authorizations less any cash on hand. The amendment forces an automatic reduction in funds available to the States if the unfunded authorizations exceed expected revenues over the remaining life of the fund. At present, the taxes that support the highway account expire in 1988, while 1986 is the last year of full authorization. Thus, current policy implies that unfunded authorizations should not exceed 2 years' worth of revenues.

Highway users finance the Federal highway program according to the accepted principle that the system's users, rather than the general taxpayer, should support its construction and repair. The 1982 act established four highway taxes: 9 cents per gallon on motor fuel; 12-percent sales tax on new trucks over 33,000 pounds and trailers over 26,000 pounds; a graduated tax on truck tires, and a graduated use tax on heavy vehicles.

The fuel tax accounts for almost 80 percent of the $11.6 billion expected to be raised in 1985 for highways. The 1982 act reduced some truck taxes, but the heavy vehicle use tax was increased dramatically from the previous maximum of $240 per truck to a maximum of $1,900 per year for trucks at the Federal weight limit of 80,000 pounds. This increase is being phased in over 4 years, with the biggest increase, to $1,600, scheduled to take effect this July. This 1982 act also provides economic benefits to some truckers by permitting the use of wider, heavier, and longer trucks on major intercity routes.

Altogether, the 1982 legislation raised annual receipts for the highway program from $6.7 billion in 1982 to an estimated $11.6 billion in 1985. With the interest on the cash balance added, annual receipts should total about $12.6 billion. At the same time, however, annual authorizations were increased to $14.9 billion in 1985, about $2.3 billion more than expected receipts. Clearly, such a gap cannot be sustained for long.

Indeed, the trust fund can only finance the 1982 authorizations because of the cautions provided by the $9 billion in cash built up in prior years and because of the normal lag between authorizations and outlays. Under current policy, the criterion of unpaid authorizations not exceeding 2 years' worth of revenues would be violated in 1988. By 1989, the cash balance would drop well below the $2 to $3 billion needed to meet normal cash flow requirements.

Of course, these projections are subject to the usual uncertainties in predicting tax receipts, outlays, and interest rates. Nevertheless, the need for action to restore balance to the highway account seems clear. The magnitude of this action, however, depends in large part on the level of future authorizations enacted by the Congress. If authorizations after 1986 were increased only to keep pace with inflation, about $2 billion a year in additional revenues would suffice. However, any increase in authorizations above current levels or any expansion of current tax exemptions would require a larger tax change.

On the other hand, if total authorizations were to drop in 1991, when the interstate system is scheduled to be completed, the prospect of reduced spending would permit a smaller increase in receipts.

A number of options are available for increasing revenues. For example, an additional 2 cent per gallon tax on motor fuel starting in 1987 would, by itself, raise the roughly $2.3 billion a year needed to support the current program. Such a change, however, would shift the tax burden toward passenger cars, a group that the DOT has found to pay more than its share of Federal costs already.

Thus, other approaches might be used to complement a simple motor fuels tax. For example, trucks weighing more than 75,000 pounds are estimated to pay only about two-thirds of their share of Federal costs. Thus, another option would be higher taxes for these vehicles. The potential gain in revenues would be about $600 million a year.

A third way to supplement a general highway revenue increase would be to reduce the existing tax exemptions for buses and taxis, State and local government vehicles, and producers of gasohol. These tax subsidies reduce trust fund revenues by more than $700 million a year, and they appear to have few economic justifications. All vehicles, whether publicly or privately owned cause wear and tear on the Nation's roads, and the subsidy to gasohol producers appears excessive in light of that fuel's modest contribution to U.S. energy independence.

A fourth option would use surplus funds from the mass transit account. Revenues from 1 cent of the motor fuel tax are adequate to finance existing authorizations, and interest on the cash balance in the account adds another $400 million a year. These interest earnings are not required to finance the transit authorizations and could be transferred to the highway account.

In addition to revenue options, spending charges could also be considered in the context of the current highway program.

The 1982 act represents landmark legislation, providing the largest increase in Federal highway resources in a quarter of a century. By channeling most of these increases into repair and modernization, the Congress helped to shift the emphasis of the program away from new construction and toward maintenance. As a result, the money available for interstate modernization totals $2.8 billion in 1985, 3½ times the 1982 level. Similarly, funds for bridge repair exceed $1.7 billion, nearly twice the level of 1982. Of total Federal highway outlays of $13 billion, more than half now goes for repair, resurfacing, and restoration rather than toward adding new roads.

Though the highway trust fund faces no immediate danger of bankruptcy, its condition does raise warning signs about any actions that might increase spending or decrease revenues. For example, a 5-percent increase in the level of authorizations about $750 million a year, would be enough to drive unfunded authorizations above 2 years' worth of revenues in 1987, 1 year sooner than under current policy.

Similarly, proposals to increase tax expenditures, such as the exemption for gasohol, should be weighed carefully. At present, gasohol is exempt from 5 cents of the 9 cent per gallon Federal tax on motor fuel. Because ethanol makes up only 10 percent of gasohol, this exemption provides a 50 cent per gallon subsidy to producers of ethanol. This provision reduces receipts to the highway account by about $200 million a year. If this subsidy were increased to 90 cents per gallon, the revenue loss would be more than proportionate.

Even greater revenue losses would occur under some of the current proposals to substitute a higher tax on diesel fuel used by trucks for the existing heavy-vehicle tax. The two most prominent proposals, S. 1475 and its House counterpart, H.R. 2124, would increase by 5 cents the current 9 cent per gallon Federal tax on diesel fuel, while giving vehicles weighing less than 10,000 pounds access to a tax rebate. On balance, the DOT estimates that tax receipts would decline by about $2 billion over the next 4 years. As shown in figure 3, this change from current policy would generate a $3 billion deficit in the highway account for 1989. These twin bills would move heavy trucks further below their cost-based share of Federal highway taxes while increasing the amount by which light trucks overpay. For example, combination trucks over 75,000 pounds would pay only 58 percent of their share of costs in contrast to the current 66 percent.

Though the current Federal commitment is roughly in line with the needs for highway infrastructure, some savings could be made by deferring certain work for a few years. For example, large sums continue to be devoted to construction of new interstate highways, even though less than half of the remaining construction cost is related to the highest Federal priority, an interconnected system of intercity roads. If construction were deferred until after 1990 on local roads that are less essential to an interconnected system, primarily urban segments, the current $4 billion spent each year on interstate construction could be cut by half. Such a change would permit the highway program to continue its emphasis on repair of existing roads while deferring the need to raise highway taxes until after 1990.

In conclusion, Mr. Chairman, the pending shortfall in the highway account is clearly the most important problem affecting the highway program since passage of the 1982 act. Though this problem could be deferred until the next major highway authorization, presumably in 1986, the Congress will, at some point, face important decisions regarding raising taxes, reducing the highway program or striking an appropriate balance between the two courses. These decisions afford an opportunity to continue the shift in emphasis toward needed maintenance and repair and to current imbalances in the support of the system by its diverse classes of users.

Thank you very much, Mr. Chairman.

[Attachments to Mr. Penner's statement follow:]

FIGURE 1

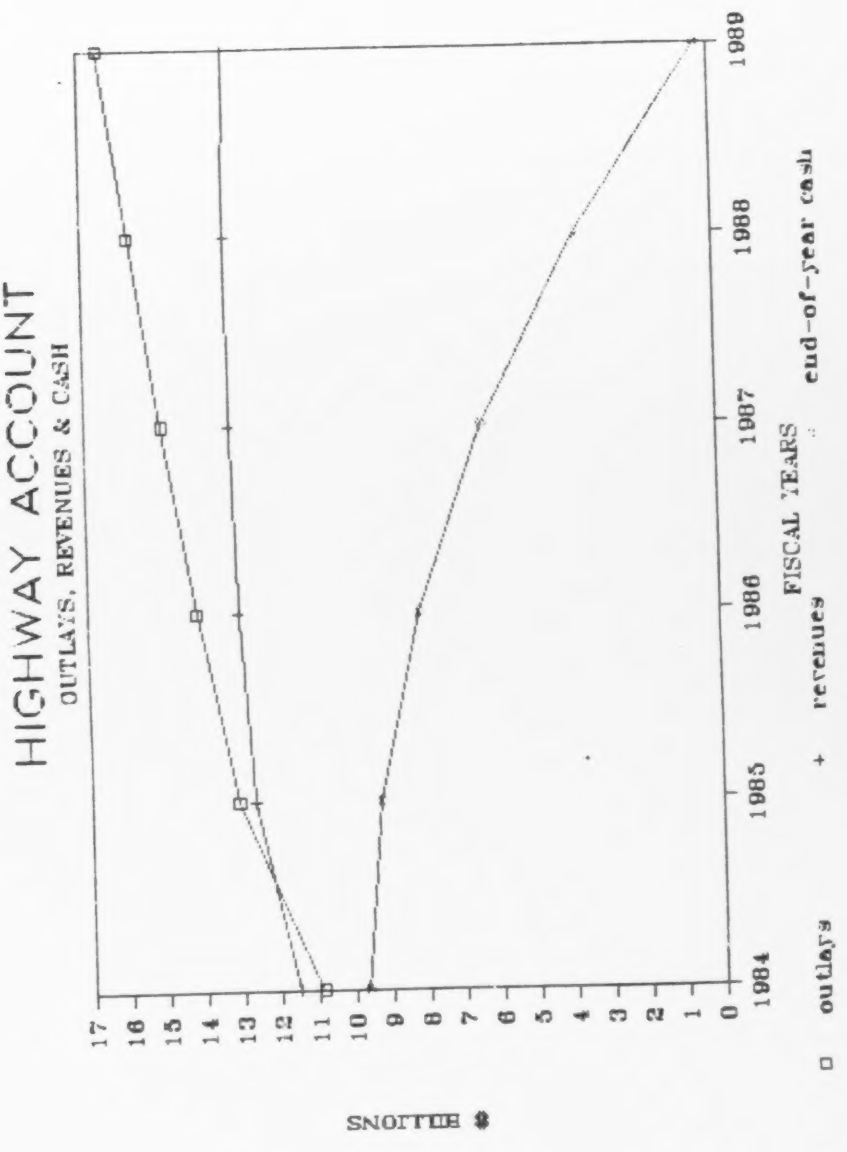

HIGHWAY ACCOUNT
OUTLAYS, REVENUES & CASH
$ BILLIONS
17
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
1984
1985
1986
1987
1988
1989
FISCAL YEARS
□ outlays
+ revenues
◇ end-of-year cash

FIGURE 2

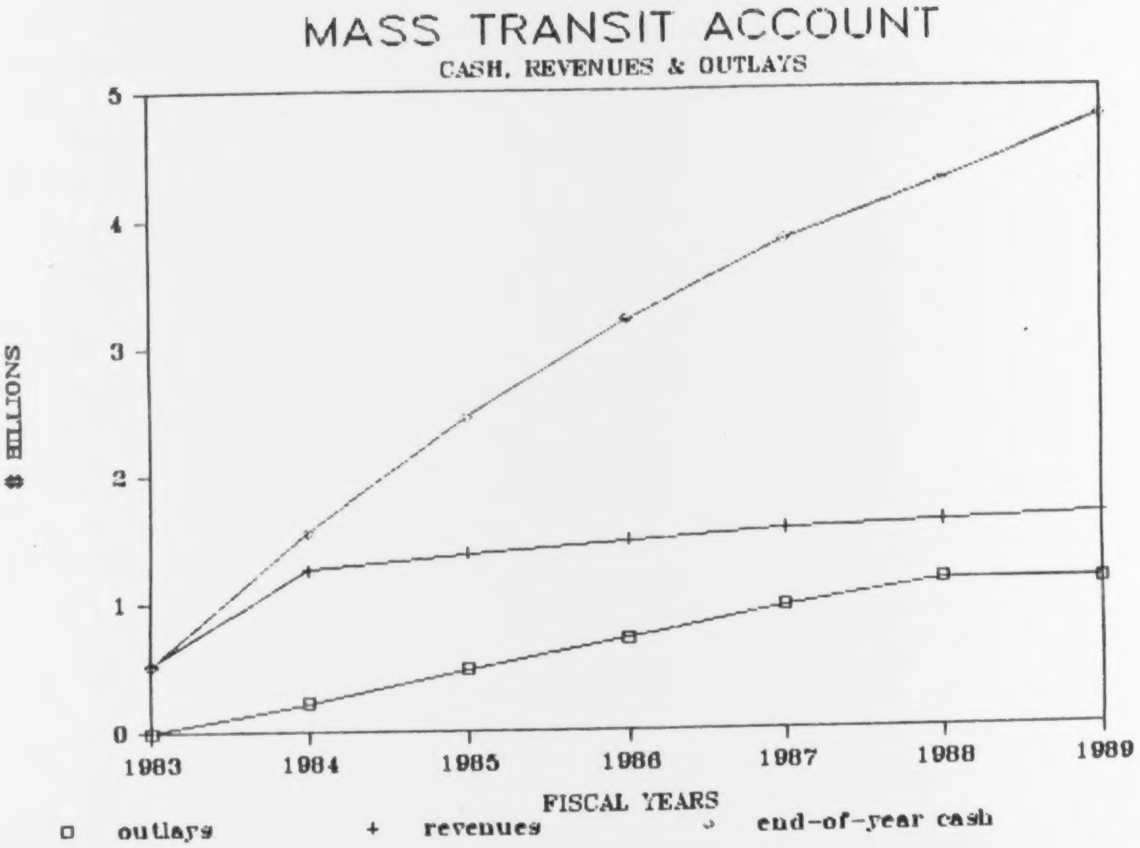

MASS TRANSIT ACCOUNT
CASH, REVENUES & OUTLAYS
$ BILLIONS
5
4
3
2
1
0
1983
1984
1985
1986
1987
1988
1989
FISCAL YEARS
□ outlays
+ revenues
◇ end-of-year cash

FIGURE 3

## HIGHWAY ACCOUNT

REVENUES UNDER S.1475 AND H.R.2124

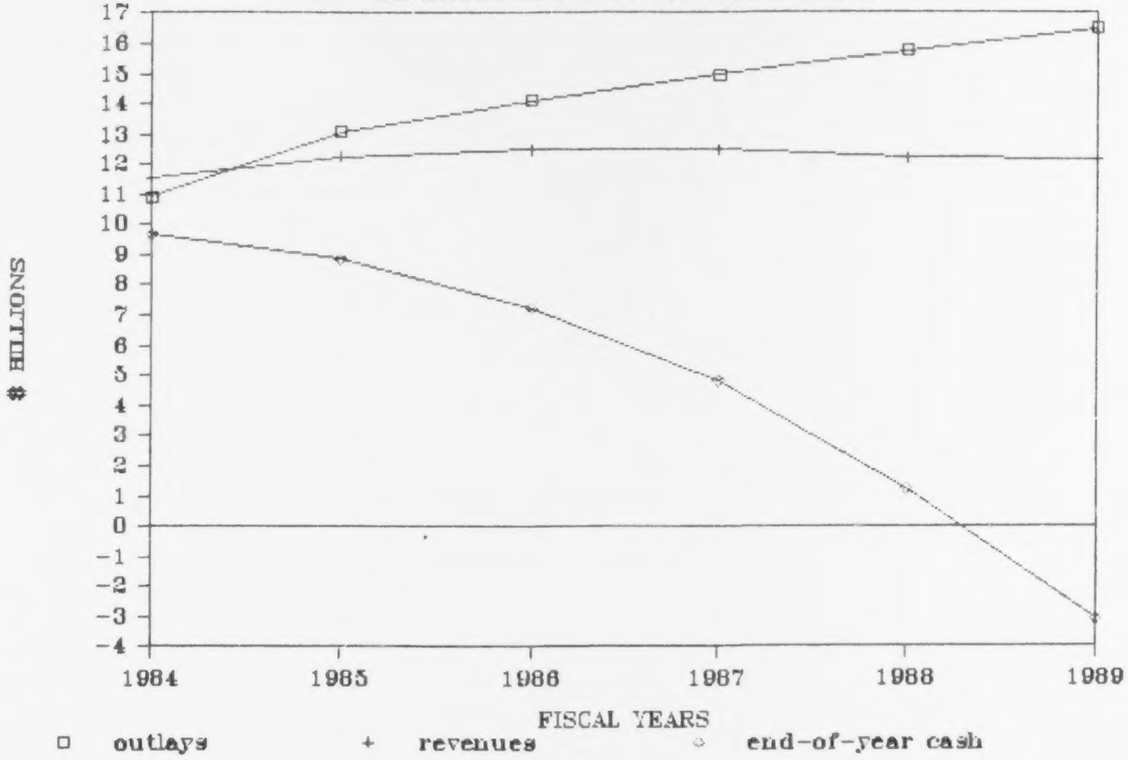


TABLE 1. FINANCIAL PROJECTIONS FOR THE HIGHWAY ACCOUNT OF THE HIGHWAY TRUST FUND
(In millions of dollars)

| Fiscal Year | Highway Authorizations | Outlays a/ | Trust Fund Income b/ | Start-of-Year Cash Balance | Change | End-of-Year Cash Balance | Unfunded Authorizations |
|---|---|---|---|---|---|---|---|
| 1984 | 14,120 | 10,900 | 11,510 | 9,060 | +610 | 9,670 | 16,710 |
| 1985 | 14,860 | 13,080 | 12,630 | 9,670 | -450 | 9,230 | 18,940 |
| 1986 | 15,660 | 14,100 | 13,000 | 9,230 | -1,100 | 8,130 | 21,590 |
| 1987 | 16,320 c/ | 14,950 | 13,160 | 8,130 | -1,790 | 6,340 | 24,760 |
| 1988 | 16,980 c/ | 15,760 | 13,180 | 6,340 | -2,580 | 3,760 | 28,560 |
| 1989 | 17,630 c/ | 16,520 | 13,130 | 3,760 | -3,390 | 360 | 33,060 |

SOURCE: Congressional Budget Office.

NOTE: Details may not add to totals because of rounding.

a. Outlays based on obligation ceilings which are less than authorizations. Level of outlays also depends on when Interstate construction funds for 1984 are released.

b. Treasury forecast of tax receipts with CBO interest rate assumptions.

c. CBO current policy projections.

TABLE 2. FINANCIAL PROJECTIONS FOR THE HIGHWAY ACCOUNT OF THE HIGHWAY TRUST FUND UNDER S. 1475 AND H.R. 2124 (In millions of dollars)

| Fiscal Year | Highway Authorizations | Outlays a/ | Trust Fund Income b/ | Start-of-Year Cash Balance | Change | End-of-Year Cash Balance | Unfunded Authorizations |
|---|---|---|---|---|---|---|---|
| 1984 | 14,120 | 10,900 | 11,510 | 9,060 | +610 | 9,670 | 16,710 |
| 1985 | 14,860 | 13,080 | 12,260 | 9,670 | -820 | 8,850 | 19,310 |
| 1986 | 15,660 | 14,100 | 12,480 | 8,850 | -1,620 | 7,240 | 22,490 |
| 1987 | 16,320 c/ | 14,950 | 12,500 | 7,240 | -2,450 | 4,790 | 26,310 |
| 1988 | 16,980 c/ | 15,760 | 12,230 | 4,790 | -3,540 | 1,250 | 31,070 |
| 1989 | 17,630 c/ | 16,520 | 12,170 | 1,250 | -4,350 | 3,100 | 36,520 |

SOURCE: Congressional Budget Office.

NOTE: Details may not add to totals because of rounding.

a. Outlays based on obligation ceilings, which are less than authorizations. Level of outlays also depends on when Interstate construction funds for 1984 are released.

b. DOT forecast of tax receipts with CBO interest rate assumptions.

c. CBO current policy projections.

TABLE 3. REVENUE-TO-COST RATIOS FOR 1985 UNDER DIFFERENT TAX SCHEMES

| Vehicle Class | Under Pre-1982 Law | Under Current Law | Under S. 1475 and H.R. 2124 |
|---|---|---|---|
| Passenger Cars and Motorcycles | 0.97 | 1.06 | 1.09 |
| Buses | 0.0 | 0.0 | 0.0 |
| Pickups/Vans | 1.17 | 1.18 | 1.21 |
| Single-Unit Trucks | 1.76 | 1.14 | 1.19 |
| Under 26,000 pounds | (1.38) | (1.12) | (1.21) |
| Over 26,000 pounds | (2.07) | (1.16) | (1.17) |
| Combination Trucks | 0.80 | 0.82 | 0.74 |
| Under 50,000 pounds | (1.21) | (0.90) | (1.02) |
| 50-70,000 pounds | (1.22) | (1.20) | (1.07) |
| 70-75,000 pounds | (0.78) | (0.84) | (0.76) |
| Over 75,000 pounds | (0.59) | (0.66) | (0.58) |
| All Vehicles | 1.00 | 1.00 | 1.00 |

SOURCE: Congressional Budget Office from analysis by the Department of Transportation.

NOTES: A number greater than 1 represents overpayments, while a lesser number shows underpayments. Numbers in parentheses are subtotals.

Senator STAFFORD. Thank you very much, Mr. Penner, for a very interesting and informative statement.

I do have some questions, and I may have some other questions which I would like to submit to you in writing.

Mr. PENNER. Yes, sir.

Senator STAFFORD. If that is agreeable.

In fact, the Chair will reserve the right of all members of the committee, if they wish, to submit questions in writing.

What is CBO's view on full funding for the Federal-aid highway program for fiscal year 1985 as authorized in the STAA of 1982?

Mr. PENNER. That does not present any problem, sir.

Senator STAFFORD. What kind of cash balance should be kept on hand in the highway trust fund?

Mr. PENNER. We think, because of an investigation of past errors, that about $3 billion of cash balance is needed.

Senator STAFFORD. As a matter of sound fiscal policy, how large should unfunded authorizations be allowed to grow before concern in registered?

Mr. PENNER. Well, that is constrained by the Byrd amendment. That can vary from time to time, but our best estimate right now is that that should be held to 2 years of revenue.

Senator STAFFORD. What do you think the sensible ratio should be between the unfunded authorizations and potential recommended authorizations?

Mr. PENNER. It is about 2 years' worthin that period.

Senator STAFFORD. In connection with the Grace Commission recommendations for the Federal highway program, are there some in them that could have successfully implemented, and if so, do you believe they would result in cost savings?

Mr. PENNER. There were two recommendations that are relevant in the Grace Commission, sir. One would have consolidated certain highway program categories into a broader block grant program. They believe that that would save some money, and in looking at it ourselves, we think they underestimated the flexibility of States to shift moneys between accounts, so that we really don't think that that would have any money all by itself.

They did, on the other hand, talk about eliminating specific highway demonstration programs, and that would lead you to some savings, very small, by our reckoning. In 1985, for example, the savings, by our estimate, would be $123 million in budget authority and $21 million in outlays.

They also recommended indexing the Federal highway taxes to inflation. Again, relatively small amounts of revenue are involved there, rising from $110 in 1986 to $1.1 billion by 1989 for a cumulative amount over the 5 years of $2.4 billion.

Now, I should point out, sir, that we, in analyzing the Grace Commission and this report that came out yesterday, looked only at their proposals that, by their reckoning, would save more than a billion dollars. We simply could not, we did not have the resources to look at all 2,000 and some proposals. There may be some others in that bag that would be relevant.

Senator STAFFORD. Thank you, sir. The Federal Highway Administration relies on Treasury's forecasts to determine highway trust funds. Recently, those forecasts have been altered. Please explain, if you will, why you think that change was made and what effect it might have.

Mr. PENNER. Well, sir, from the point of view of our revenue estimates, we really do have to rely on them. We don't have independent capacity ourselves to rely on them and the Joint Task Committee. The main change was a rise in the estimate of the amount that the heavy-vehicle use tax would bring in.

Senator STAFFORD. Senator Symms, who has been called away by his membership on another important committee temporarily, has asked me to direct this question to you on his behalf.

Independent truckers have said that 25 percent of their members have never paid the $240 heavy-use fee. If collection were improved, would a 5 cent diesel differential and the $500 maximum use-fee raise enough revenue in this area?

Mr. PENNER. This is something we don't know a lot about, sir, but we would be pleased to look into it and respond for the record.

Senator STAFFORD. Why don't you respond for the record?

[The following information was supplied:]

There are two issues here: first, the appropriate amount of revenue to be raised, and second, collection efforts. The five cent diesel differential combined with the $500 use fee, even if paid by every independent trucker, would still leave them paying only about 60 percent of their allocated share of federal highway costs. Proper collection of the heavy vehicle use fee from truckers, including independent truckers, is of course important. The lower the use fee, the less incentive the I.R.S. has to perform the proper audits to ensure collection. In this regard, a fee of $500 per vehicle is more likely to encourage action by the I.R.S. than is the old annual fee of $240, but less likely than the $1,600 fee called for under current law. In any case, the total revenue raised from the 25 percent of independent truckers who are said not to pay would not be adequate to redress the long-term financial imbalance in the Highway Trust Fund.

Senator STAFFORD. Projections are made by you and by Treasury on revenue coming into the highway trust fund. In the past, how close have these projections come to what actual revenues turned out to be?

Mr. PENNER. As I suggested before, the total errors in estimating the cash balances—now, this is a combination of errors on both the outlay side and on the revenue side—were through the 1975-79 period fairly small, ranging under a billion dollars—this is the estimating of case balance—ranging under a billion dollars with the exception of 1976 where there was a $2 billion error. In 1980, 1981, and 1982, the errors have been quite a bit larger, around $3 billion and ranging almost up to $4, in fact, in 1982.

It was for that reason that we think a $3 billion cash balance is needed to insure a smoothly operating Highway Trust Fund.

In terms of dividing this error between outlays and revenues, we do a better job in estimating the revenues. It is harder to identify the exact timing of the outlay once funds have been obligated.

Senator STAFFORD. Thank you very much, sir. I think I have consumed my share of the time for the moment. I am delighted that the chairman emeritus and beloved ranking minority member of our committee has arrived, Senator Randolph. I have already placed your opening statement in the record.

Senator RANDOLPH. Thank you very much, Mr. Chairman.

May I, with propriety, commend you, Mr. Chairman, and reinforce what you have said about the two new members of the committee, Mr. Evans of Washington State and Mr. Lautenberg of New Jersey. I am very happy that the minority member is here, and I am sure that our majority member would be here except as indicated, he has other duties. That brings our committee to a complete complement of 18 members. We have shared our problems and our challenges in the basis of the subject matter rather than any partisanship, and we keep saying that, both of us, but in this case, it is true.

Thank you very much.

Senator STAFFORD. Thank you very much, Senator Randolph.

Senator Lautenberg, do you have any questions?

Senator LAUTENBERG. Just briefly, Mr. Chairman, and if I may, to respond to my esteemed colleague to say that one of the other reasons I neglected to put forward my desire to serve on this committee was the desire to join the distinguished Senator from West Virginia in some of his efforts as we look at the culmination of a long and distinguished career.

I have learned a lot from Senator Randolph in the short time that we have been able to be together, and I hope to be able to do that for the remainder of the year.

Mr. Penner, I thought the testimony was excellent. I would have to say that I thought it was very objective in its presentation. I appreciate that.

Just to make sure that I understand the direction that things are going, the gas tax increase of 5 cents in 1983 had 1 cent of that dedicated to mass transit. The 4 cents that is allocated to highways, by your charts and by your statement, indicates the inadequacy to meet the projected authorization while the 1-cent reserve for mass transit seems to be more than adequate, at least, based on the spending pattern to date. Is that, do you think, because we have been slow to fund some of these mass transit projects?

Mr. PENNER. I guess almost by definition, sir, part of the reason, of course, is that the mass transit fund is young and did not have obligations from the past which led to outlays now, whereas the highway trust fund, of course, some part of the problem has to be assigned to funds authorized in the past that are just being spent out and out now.

Senator LAUTENBERG. We have been tracking the authorized levels in the highway program, and I am surprised, but again, this is part of the learning experience for me, that mass transit projects are so new that we have, I believe, a $400 million positive balance at this point. Do we have to crank up the States to get their requests in and to get these funds moving in order to use the available funds?

Mr. PENNER. That, of course, sir, is an issue of priority. Just how you want to divide up the money, and we suggested an alternative is to go quite the other way and accept those authorizations as they are and dedicate the interest on the mass transit fund over to the highway fund.

Senator LAUTENBERG. I heard that and I am concerned about that. I frankly would not like to see that happen. Those of us from the urban States see the crushing need to support our systems, and we ought to get on with it. I did, again, compliment you on your objectivity. That doesn't mean I agree with all the statements.

Thank you very much, Mr. Chairman. Thank you.

Senator STAFFORD. Thank you, Senator Lautenberg.

Senator Randolph.

Senator RANDOLPH. Thank you, Mr. Chairman.

Mr. Penner, in your important position as Director of the Congressional Budget Office, you have indicated that the cash balance in the trust fund is going to erode. You have used that expression.

Would you provide us with an additional comment? What is the sound fiscal policy in relationship to the use of the highway trust fund and how large a balance in that fund should Congress provide?

Mr. PENNER. In investigating the sort of errors that had been made in estimating the cash balance in the past, we think that a prudent fund would be about $3 billion.

That should cover mistakes in estimating inflows and outflows in almost all cases.

Senator RANDOLPH. A question I had not thought to ask you in your position but if you feel you would rather not answer it, it would be understandable.

There are many of us who believe strongly in the highway trust fund. There are others in both the House and Senate who believe that the trust fund should be eliminated entirely. We have had many proposals made in the Senate, as the chairman remembers, to abolish the highway trust fund. We have been able, always, to defeat, by rollcall votes, those attempts.

What is the value of the highway trust fund?

Mr. PENNER. Sir, I think that you can argue the case both ways. I remember in the middle seventies, I think there was some concern at that time that because cash inflows were very high that the nature of the system perhaps, as a matter of value judgment, of course, but some people argued that the nature of the system at that time was one in which it encouraged more spending than was necessary to fulfill national priorities.

Later on, with this situation we face more recently, I think you can see the value of earmarking. Certainly, the argument for running the fund as we do now is, first of all, the people who use the highways the most pay the most money for them.

That is the big advantage of earmarking. Beyond that, I think given the huge deficit problem that we face in the budget as a whole, there is grave concern, I know, among many that if you raise taxes that that will not go to reducing the deficit; it will somehow encourage spending that they don't want, and whether you believe that or not, I think the resolution of the eventual budget issue will involve facing that problem head on.

I think here is a case where you could clearly identify a need. Our system was deteriorating. There are few popular taxes, but I think it is probably at least unpoplar—maybe the least unpopular, maybe, is the way to put it—to raise a tax where the people can very clearly see what it is financing.

That is the way I understood the philosophy of the 1982 act. It tied a tax increase which is clearly burdensome to a lot of people, to a particular social good—namely, the repair and maintenance of the system.

Senator RANDOLPH. You will agree that without an adequate road system—using the word adequate in the fullest sense—that we would not be able to transport the products of the mine, the factory, and the field, to the consuming public and that those who go to and from their work and families in seeing America, whatever the reasons, the road system is necessary to this country's well-being. Is that true?

Mr. PENNER. Absolutely, sir. I don't think there is any doubt about the broad national consensus would support your statement. I think, however, it is a separate issue, how should it be financed, whether you should finance it out of the general tax revenues or finance it out of the trust fund as we do. I just discussed the advantages and disadvantages of the trust fund approach.

Senator RANDOLPH. The trust fund, however, Mr. Penner, as I would state and perhaps you would agree or not agree, is something that is in being, isn't it, and you know it is there rather than to rise up and support with more dollars or drop down support with less dollars.

It stands as an institution, does it not, in a sense?

Mr. PENNER. I'm sorry. I didn't hear the last part.

Senator RANDOLPH. I used the word, the trust fund, in a sense, serves as an institution.

Mr. PENNER. Oh, yes. It is an institution, and as I stated before, I think in present circumstances, it is a very useful concept. I could envision circumstances, however, at a certain different time in history where having the institution there, feeling bound to spend a certain amount of revenue, may not be the best way to go about it.

So I think it has advantages and disadvantages, and you have to continually reassess them.

Senator RANDOLPH. I will not pursue it further. I would like for you to tell me its disadvantages.

Mr. PENNER. The disadvantages?

Senator RANDOLPH. Yes.

Mr. PENNER. Well, as I suggested before, I think when you tie particular spending to a particular tax revenue and where it is difficult to estimate the tax revenues in the long run, those tax revenues, there is no automatic reason that the tax revenues will generate just the right amount of cash to fulfill national needs as they are perceived. Sometimes in history, the revenues may fall short, and if current policy is considered to be the right amount of spending, that is the kind of situation we face right now.

It was argued by many, I mean, CBO cannot get into the merits of the value judgments involved, but it was argued by many in the middle 1970's that we had the reverse situation; that the revenues were running ahead of what was truly needed, and this institutional arrangement encouraged an excess level of spending.

Now, whether spending is excess or deficient at any particular time, of course, is not up to us to decide. That is up to you to decide. We can only trace them out, but those are the kinds of arguments that have been made at different times in history.

Senator RANDOLPH. It has been 10 years since we passed the Budget Act. Is that right?

Mr. PENNER. That is correct, yes.

Senator RANDOLPH. Until that time, the President of the United States, as you will recall, had the right to impound the funds for construction of highways and roads and bridges. Isn't that right?

Mr. PENNER. I think frankly, Senator, that was never really resolved up to the Supreme Court level. President Nixon asserted the impoundment power and used it much more vigorously than it had been used in past history, and there were an enormous number of court cases generated by that. They went through the level of the appeals courts. In most cases, the President actually lost at that level. The Court said he did not have the right to impound.

There were some exceptions, though, in particular cases. I remember the housing case, in particular, it never got to the Supreme Court because the congressional action in passing the Budget Act and in designing very specific ways that the President could withhold funds if he wanted to, that made the whole issue irrelevant, so it was really never decided constitutionally, I think.

Senator RANDOLPH. I thank you very much.

Senator STAFFORD. Thank you very much, Senator Randolph, and thank you, Mr. Penner. We may have some additional questions that we will send to you in writing if that is agreeable as I indicated earlier.

Mr. PENNER. We shall be pleased to answer them, Senator.

Senator STAFFORD. The Chair would now, for the committee, invite Hon. James Burnley, Deputy Secretary of the Department of Transportation and Hon. Ray Barnhart, Administrator of the Federal Highway Administration, to come forward to the witness table.

Mr. Burnley, we would be very happy to, at this point, hear your statement. Either you might read it or summarize it, whichever you care to do.

## STATEMENT OF HON. JAMES BURNLEY IV, DEPUTY SECRETARY, DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY HON. RAY BARNHART, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, AND RICHARD D. MORGAN, EXECUTIVE DIRECTOR, FEDERAL HIGHWAY ADMINISTRATION

Mr. BURNLEY. Thank you, Mr. Chairman. I have a short prepared statement I will read through as quickly as I can.

It is a pleasure to be here today. With me is Ray Barnhart, sitting to my right, the Administrator of the Federal Highway Administration, and Richard Morgan, Executive Director of the Federal Highway Administration.

Secretary Dole asked me to represent her today because she was previously scheduled to appear simultaneously before another committee due to the sunset of the Civil Aeronautics Board. I know she looked forward to being here on other occasions in the future.

With your permission, I will quickly summarize the fiscal year 1985 budget authority which affects this subcommittee.

The Department's overall budget for fiscal year 1985 requests $28.6 billion in budget authority compared with $27.4 billion this year, fiscal year 1984. While some budget growth was required as the Nation's transportation system is rebuilt and maintained, I would like to point out that this does not place an increased burden on the general fund of the Federal Treasury, because 72 percent of the Department's budget will be financed by user fees. In fact, the budget authority not financed by user fees actually declines in absolute terms by over $2 billion from fiscal year 1984 to fiscal year 1985.

In the area of highway transportation, the Department's fiscal year 1985 budget request emphasized our continuing commitment to rebuild and upgrade the Nation's highway system. It proposes increased levels of funding for highways to implement the programs authorized in the Surface Transportation Assistance Act, the STAA.

For fiscal year 1985, budget authority for the Federal Highway Administration is just under $14.8 billion. This represents an increase of $1.5 billion over fiscal year 1983 and an $802 million increase over fiscal year 1984. The fiscal year 1985 budget proposals are based on the levels authorized by your committee in the STAA.

The fiscal year 1985 limitations for Federal-aid highway obligations are set at $13.9 billion, excluding obligations for emergency relief. That figure of $13.9 billion was derived by taking the STAA ceiling of $13.55 billion, subtracting $275 million to offset the increase in the fiscal year 1983 ceiling resulting from the Jobs bill, and adding another $600 million, which is our estimate of fiscal year 1985 obligations for those formerly exempt programs that would now be under the ceiling.

We propose to limit total first quarter obligations to 25 percent, as is currently the case, but to provide individual States with the flexibility to obligate during the first quarter up to 40 percent of each of their annual limitation. Under present rules, that ceiling is 35 percent.

As we all know, the STAA was signed into law on January 6 of last year. Since its enactment, we believe we have made excellent progress in implementing it and assuring that the increased level of Federal-aid funding was promptly made available to States for needed highway improvements. All of the $12.4 billion under the fiscal year 1983 ceiling was obligated. When the nonceiling programs were added in, total obligations for fiscal year 1983 were $12.8 billion compared to $8.2 billion in fiscal year 1982, representing a 56-percent increase in obligations in 1 year.

Major programs have made substantial progress with the increases provided by the STAA: increases of 25 percent for obligations of regular interstate funds; 100 percent for interstate discretionary funds; over 200 percent for Interstate 4R; 38 percent for primary highways and 42 percent for the bridge replacement and rehabilitation program.

The increase in fiscal year 1983 obligations will also translate into an estimated 150,000 more jobs in the highway construction industry and allied industries than was generated by the 1982 obligation level.

We have also made progress in issuing necessary rules and guidance called for under the act. All provisions of the STAA requiring implementation by regulation or guidance have been implemented or will be implemented in the very near future.

For example, a new disadvantaged business enterprise requirement was contained in section 105(f) providing that unless the Secretary determines otherwise, not less than 10 percent of the amounts authorized under the act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

Final rules to implement this program, which built on the Department's existing minority business enterprise program, were published on July 21, 1983. Since the law was enacted at the beginning of the second quarter of the last fiscal year, fiscal year 1983 is considered a transitional year. Nevertheless, in 1983, the States provided approximately $800 million in contract awards or future subcontract commitments to DBE firms. This represented 9.83 percent of the Federal-aid highway funds committed, which is a record level of funding for disadvantaged businesses.

Thirty-seven States and the District of Columbia met or exceeded their adjusted DBE goals. Only 13 States failed to do so. For fiscal year 1984, all but six States have requested approval goals of 10 percent or more. We approved goals of less than 10 percent for Vermont, Montana, North Dakota, Wyoming, and Iowa. New Hampshire's request is still under review.

The STAA also provided for designation of a national network of interstate and primary highways for larger commercial vehicles as well as reasonable access to that network. Agreements have been reached by the Federal Highway Administration with 43 States, Puerto Rico, and the District of Columbia on a proposed final network. In two States, New York and New Jersey, some unresolved issues on the network remain, but they involve less than 150 miles of primary routes. Discussions with the five States that were litigating questions concerning their networks, Alabama, Florida, Georgia, Pennsylvania, and Vermont, led to the designation of an interim network in those States that was published in the Federal Register on February 3 of this year.

With respect to one State, Connecticut, that directly challenged the authority of Congress to preempt State rules on truck route designation, the U.S. Supreme Court held unanimously last week that the STAA provisions on the subject are constitutional.

Progress is also being made with regard to the reasonable access issue. Thirty-nine States have adopted some form of reasonable access, either through legislation or regulations. Eleven States are presently considering reasonable access provisions. We propose to allow the States to determine reasonable access through their own regulations and practices. However, we will closely monitor these determinations to see whether further Federal actions are necessary.

Under a new grant program authorized by the STAA, funds are available to assist the development or implementation of State programs to enforce requirements for commercial motor vehicle safety and hazardous materials transportation by highway. Eight million dollars were appropriated for fiscal year 1984, and we are requesting a doubling of the appropriations for fiscal year 1985. Applications have been received from 47 States and territories for this program already.

Based on current Treasury Department projections of highway trust fund tax receipts, we expect that revenues will cover apportionments through fiscal year 1986, which is the period, of course, of the authorizations in the STAA. Therefore, we do not expect the Byrd amendment problem with trust fund solvency during this period.

However, the STAA sets spending levels above revenues, resulting in a drawdown of the balance of the trust fund. We believe this may cause problems in 1987 and beyond, because highway outlays can lag as much as 5 years behind obligations. our projections indicate the trust fund levels will continue to decrease beyond 1986 if we assume that authorizations for the years after 1986 are the same as the 1986 authorizations.

The enactment of additional special interest or demonstration program legislation would obviously jeopardize the balance in the highway trust fund necessary to support the Federal-aid highway program.

Therefore, we ask your continued support, Mr. Chairman, and the support of the members of the subcommittee, as well, in limiting this sort of encroachment on the fund. Your assistance thus far has been sincerely appreciated.

In fiscal year 1983, the States obligated a record level of highway funds. As I mentioned before, we have no doubt that the States are capable of obligating the full $12.52 billion available under the fiscal year 1984 obligation ceiling. The Interstate 4R, primary and bridge program obligations are up significantly compared to the same period in 1983. Interstate construction obligations, however, are down significantly. The problem is directly related to our inability to make the interstate apportionments for fiscal year 1984 because the interstate cost estimate and the interstate substitute cost estimates have not been approved by the Congress. The States appear to have a substantial backlog of projects. Preliminary results from the American Association of State Highway and Transportation Officials survey made in December 1983 indicate that, if the ICE and the interstate substitute cost estimate are approved before March of 1984, in other words, tomorrow, the States could use all of their obligation authority. This is why the Department, and Secretary Dole in particular, have pushed hard for congressional approval of a clean ICE as soon as possible. Again, we are most appreciative of the leadership that the chairman and this committee are providing to resolve this problem.

Turning for a moment to the heavy truck tax use, as you know, several bills have been introduced in the Congress that repeal the heavy truck use tax and increase the tax on diesel fuel. The Department has delivered to the Congress its study of alternatives to the heavy truck use tax, and that study reveals that the various bills will all impair the equity of the highway tax structure. Repeal of the heavy use tax would sharply reduce the relative burden borne by the heaviest trucks, which still underpay, in our judgment, their share of the cost of highway wear and tear. It would also reduce the total revenues flowing into the highway trust fund.

Our assessment of the options in the report is based on three criteria: First, maintaining revenues at the present level; second, maintaining equity within user classes and improving the ease of payment; and third, simplifying administrative and enforcement requirements. Of the options that are revenue neutral, some do not maintain the equity within and among user classes as well as others, and some raise administrative and compliance problems.

The Secretary has indicated, in appearances before the Senate Finance Committee and the House Ways and Means Committee in the last couple of weeks, that alternatives four, five, six, and seven in that study meet the criteria and would be acceptable to the administration.

Of these, alternative four, which combines a 6-cent increase in the diesel fuel tax with a substantially reduced use tax, would provide the greatest relief of the trucking industry from the large lump-sum tax in the current tax structure. Any further reductions in the amount of the heavy vehicle use tax would result in an unfair shift of the tax burden away from those users who should be paying to those who are already paying their proportionate share.

Mr. Chairman, that concludes my prepared statement. Mr. Barnhart and I would be pleased to respond to any questions.

Senator STAFFORD. Thank you very much, Mr. Secretary. As we did with the previous witness, for the committee, I would like to, without objection, reserve the right of members to submit questions in writing if that is agreeable.

Mr. BURNLEY. Yes.

Senator STAFFORD. In addition to those that may be directed to you orally at this time.

Mr. Secretary, the President has proposed an obligation ceiling of $13.875 billion in fiscal year 1985. All categories except emergency relief would be subject to this limitation. What amount was authorized outside the limitation in fiscal year 1985, and what amount of unobligated authorizations which were authorized outside the limitation is still available to the States?

Mr. BURNLEY. I will ask Mr. Morgan to help us with that.

In my prepared statement, I went through the basic arithmetic on how we got to that.

Senator STAFFORD. For the record, would you identify yourself?

Mr. MORGAN. R. D. Morgan, Executive Director, Federal Highway Administration.

Senator STAFFORD. Thank you.

Mr. MORGAN. The total authorization for 1985 programs currently exempt from the obligation limitation is approximately $890 million. That is necessarily an estimate, because the 85-percent minimum figure has to be based on actual apportionments. We estimate that is the authorization.

Senator STAFFORD. All right.

Mr. MORGAN. At the beginning of 1985, the unobligated balance for these exempt programs will be approximately $1.2 to $1.4 billion.

Senator STAFFORD. Do you believe, Mr. Secretary, that there is still a need for first quarter obligational controls?

Mr. BURNLEY. Yes, sir, we do believe that, but we are proposing some additional requests, as I indicated in my prepared statement, so that individual States could obligate up to 40 percent, so long as overall it averaged out to 25 percent in the first quarter.

But that is a very important mechanism which we use to make sure that our obligations stay within the authorization levels.

Senator STAFFORD. Thank you.

Mr. BARNHART. Mr. Chairman, I might mention, there is no effort here at game playing on figures on what is inside or ourtside that obligational limitation. We have tried to be very accurate so that we didn't short anyone. We have done a survey in the States, and we think that we have covered all of those necessary authorizations that the Congress intended to cover. The only thing we would exclude from the ceiling would be emergency relief funds. We didn't think it would be prudent to include emergency relief in the ceiling.

Senator STAFFORD. Thank you very much, Mr. Barnhart.

Let me direct this question to you. If the Congress were to approve the release of 6 months of the ICE and substitute funds, based on the 1981 interstate cost estimate updated for withdrawals, what complications would there be in apportioning and administering these programs?

Mr. BURNLEY. Well, Mr. Chairman, obviously, until we have the final factors for the programs, it is almost impossible for Federal Highways to determine the final apportionment numbers for each State.

So although it would perhaps permit us to go ahead and free up a considerable percentage of the funds that are now being held, it would, nonetheless, leave us with some very serious problems; and, of course, we would have to go through this whole exercise again 6 months from now.

If anything, I might venture an opinion that that would be a more complex exercise 6 months from now than it is today.

Mr. BARNHART. I think we would have trouble determining the 85-percent allocations.

Mr. BURNLEY. Yes.

Mr. BARNHART. We would run into another problem in August on the redistribution on the remaining unobligated funds. So we do have some real things in there that are serious problems.

Senator STAFFORD. We certainly hear you both on this subject, but we know the House will probably attempt to pass a 6-month ICE this afternoon. It is beginning to appear to the chairman of this committee, at least as an individual, that that may be the only way we are going to be able to get some funds out quickly to the States, notwithstanding the difficulties we face and the fact we will then be facing an 18-month ICE to follow it.

That is liable to happen, and I think that perhaps the Department ought to be thinking in terms of getting it done one way or another if that seems to be the only way we are going to have any speedy action here.

Mr. BURNLEY. We are thinking that way, Mr. Chairman, and we have the same intelligence about what the House might do. We certainly would appreciate all the support that we could get from this committee when that 6 months is about to expire, both in getting the 18-month ICE decided as early as possible; and second, in holding the line at getting 18 months, because this in not an exercise that is constructive at all. In fact, right now, we have some 23 States that are right at the point where they are going to have to shut down projects.

Senator STAFFORD. I can say also, again, speaking as an individual and not for the committee, that it would be my intent to immediately go to an 18-month ICE in terms of legislation and ask the committee to consider it. I would hope that my colleague, Senator Randolph, would join me in doing that.

Senator **Randolph**. I do.

Mr. **Barnhart**. Mr. Chairman, could I add one thing?

Senator **Stafford**. Sure.

Mr. **Barnhart**. Certainly, I would applaud anything you can do to free up some money, because the situation is literally critical all across this country. I am concerned about the amounts of 85 percent minimum allocation funds going to some States, not just because one of them is Texas, but because there are others involved.

As I look at it, for instance, Arkansas has $6 million in suggested minimal allocations depending on what table you use. Indiana would end up lacking the $68 billion that they should have in the subsidy funds. That is 25 percent of their total, and they would be denied that. They would end up with only $9 million in interstate construction funds, which is hardly treating them equitably.

If somehow we could get some relief on a selected basis for a few of the minimum allocation States, that would be tremendously helpful from the point of view of equity.

Obviously, if you can't do anything else, I think you have to look at the welfare of the country as a whole.

Senator **Stafford**. We will know by this afternoon whether the House has taken the first step, and then we will have to act accordingly over here if we can.

Mr. Secretary and Mr. Administrator, you propose releasing the interstate discretionary funds even if the ICE is not approved. Do you still intend to do so, and if so, when would they be released and how do you determine who receives what?

Mr. **Burnley**. Mr. Chairman, we do propose to release those funds, and we propose to do it momentarily. Both the Federal Highway Administration and the Office of the Secretary are in the final process of review of the proposed allocations.

In terms of how the decision is being made, what the criteria are, we can give you some of the categories we are looking at in terms of issues. For example, priority classification and whether projects were to convert to ACI is an issue that the Federal Government looks at very carefully.

We are also looking at State's current unobligated balances; project size and how that fits with statutory criteria; the timing of the authorization; the timing of the letting of contracts; and the type of work that is going to be done. We are giving preference to projects that would open up to traffic a segment after its completion. The relationship to closing gaps in the interstate system is another important element.

So those are the criteria we are using to make those decisions, and again, we think that we will be able to release those funds in a very few days.

Mr. **Barnhart**. Consistent, Mr. Chairman, with what the whole approach of this committee has been on minimizing political considerations and looking at the system as a whole, we have established specific criteria because it is a discretionary fund. We have tried to put everybody on an even keel, and that is why we have been so precise in establishing criteria for the distribution of those discretionary funds.

It has kept our noses clean and our credibility high, I hope.

Senator STAFFORD. Thank you both very much.

Senator Randolph?

Senator RANDOLPH. Thank you, Mr. Chairman.

Mr. Burnley, the estimates you have provided to members of the committee as to future revenue for the Highway Trust Fund certainly, at least to me, are indicative of the future problems that we must face.

How have past revenue projections, when compared with actual results, come out at the end? Do you believe these projections that we are discussing today will hold true to form based on your prior experience?

Mr. BURNLEY. Senator Randolph, you just had the opportunity to hear from the Director Penner and his very excellent analysis of that problem. I think our data would basically track with his in terms of what the error rate has been in recent years.

We do have substantial confidence in our projections. We do feel that it is a part of the authorization process looking beyond fiscal year 1986. This problem is going to have to be addressed one way or the other. Certainly, within the Department, we are already in the early stages of discussing and debating about how the problem ought to be addressed so that we can come to an early conclusion on that to talk to the Congress about.

Senator RANDOLPH. I have deferred the question, Mr. Burnley, and it is all one sentence, although a long one. How will the trust fund be impacted by the authorizations for additional contract authority or demonstration projects which may be part of the legislation as to be produced by the Congress later this year?

Mr. BURNLEY. Sir, the impact will be adverse, because any time we have encroachments through special bills or special amendments about particular projects that already meet the criteria but where they are being singled out for special treatment by Federal Highway, it aggravates the problem later on down the road.

This committee has been very supportive of the Department in recent years in trying to avoid that kind of difficulty, and we will continue to work closely with you to try to resist those encroachments.

It is very clearly a problem, and certainly, the ICE exercise is one example of some of the difficulties we face when particular projects are singled out and are given special treatment.

Senator RANDOLPH. Thank you very, very much.

Mr. Barnhart, you, in a sense, are more the man of the hour in all that we are doing with these dollars. I think, most of the completion of that highly important bridge on the eastern side of the river, Weirton in Hancock County, W. Va., and the western side of the bridge on the Ohio side. That has been a bridge of priority. It continues under construction.

Do we have now the completed funding that will take care of the process of construction to its fulfillment?

Mr. BARNHART. Yes, sir, Senator. We have. That bridge is 100 percent funded already, some $38.7 million. It is on schedule. It should be completed the latter part of 1986, so the present freeze in funds in no way affects that project.

It is on schedule and will be completed, and we share your regard for the project. It is a very necessary project.

Senator **Randolph**. I thank you for your assurance. Some members of the committee, and I am sure others in our audience, may sometimes wonder why a bridge is necessary, and yet bridges are used over the waters that separate many States in this country.

Here, for instance, we have the Weirton Steel Co., and we are hopeful that in the near future, with adjustments in steel production and certain changes of ownership and management, that the Weirton Steel Co., which once employed 14,000 workers, will be employing again, 10,000, 11,000, possibly 12,000 workers.

To a large number of those workers, hundreds and hundreds, that is the only way they have to go across without going very, very far north and moving down the panhandle of our State to their jobs. Of course, not only the workers, but the products that move across this country need that bridge. I want to personally express my appreciation to the Federal Highway Administration under many administrators, and certainly particularly your close attention to that project. You have been there. You have seen the need, and is there a way, without lessening the validity of the construction that, let's say, a completed bridge could be moved 3 or 4 months to completion, or is that something that I shouldn't even suggest?

Mr. **Barnhart**. The contracts have already been issued. Everything is under way, and I think it is progressing as rapidly as possible. I would be happy to check into it to see if there is some way we can expedite it, because we are very much aware of the importance economically of that bridge to the whole community. We would be happy to check into that and see if there is any way.

I really don't know. Dick, have you run into anything?

Mr. **Morgan**. No, sir. I believe the last contract will be let this spring, and that is for the approach work, which is a fairly sizable contract, and it is scheduled for completion in 1986.

Senator **Randolph**. The approach is a very important part of that project, as you know.

Mr. **Barnhart**. That is due to be let next month.

Mr. **Morgan**. Yes. That is the final contract with approximately a 2-year construction timeframe. We can check with Commissioner Miller and see if it can be accelerated.

Senator **Randolph**. I know the West Virginia commissioner is very appreciative of the working agreements with the Federal administration in reference to this.

Mr. **Barnhart**. He is a very competent administrator.

Senator **Randolph**. Yes. Thank you very much. Thank you.

Senator **Stafford**. Thank you, Senator Randolph.

Senator Lautenberg?

Senator **Lautenberg**. Thank you, Mr. Chairman.

I wanted to ask, Mr. Burnley, if you would help me interpret the court decision that was rendered in Connecticut on the heavy, wide, long trucks. If the State of Connecticut simply refuses to allow these trucks to use their designated system, what is the remedy in this case?

Mr. **Burnley**. I have not had the opportunity, Senator, to read that opinion. I am sorry, but my clear understanding is that the remedy would be a choice. We might, I think, probably opt for the attempt through injunctive relief to address the issue, and if that doesn't work, ultimately, I guess we get into some funding questions.

Senator **Lautenberg**. Some what? Funding?

Mr. **Burnley**. Some questions of funding, yes, sir. The Congress has acted on this matter. It has spoken.

The Supreme Court says conclusively the Interstate Commerce clause gives the Congress the right to speak on this. If the State were simply to thumb its nose over the long term at the U.S. Government, I think we would have to take that quite seriously, and through injunctive relief it can be addressed.

I would hope, expect, from the press releases I have seen about some of the decisions, they indicate we would not even have to get to that.

Senator **Lautenberg**. I am more interested in content than the specific event. There is the option by the Department of Transportation and the Federal Highway Administration to withhold, isn't there?

Mr. **Burnley**. Yes, sir. We can in certain instances.

Senator **Lautenberg**. I don't know whether that is included in the opinion. That is a clarification I need.

Mr. **Burnley**. I don't know if that is an issue.

Senator **Lautenberg**. It is in the law?

Mr. **Burnley**. Yes. Yes. We can in certain instances.

Senator **Lautenberg**. Noncompliance enables the authority here.

Mr. **Burnley**. Yes, sir.

Senator **Lautenberg**. To withhold funds? OK. So the Supreme Court decision simply confirmed the right of the act to make that demand.

Mr. **Burnley**. That is correct. If I might comment further for the record, Senator. I believe I am correct that never in the history of the Federal highway program have funds been cut off for any significant period of time for noncompliance. I believe that is right, isn't it, Ray? We have been able to address these issues short of that extreme device having to actually be used.

The exercise that we have been through in the last year has been an exceedingly difficult one in working with the States and the territories, but Federal highways, I think, has done an outstanding job of being sensitive to local safety concerns. Where we have had States come to us and there was any evidence at all to the safety problem, we have simply taken those roads off the list or agreed to restrictions. That process is virtually complete.

As I mentioned in my prepared statement, and I think that even as to the State of Connecticut, that Federal highways has already come to agreement as to what roads would be designated in that State, assuming compliance with the act.

We don't know, with the outstanding issues there, as to where to go.

[The following information was subsequently supplied:]

We only have statutory authority to withhold funds in certain instances. Statutory authority does exist to withhold funds in the weight area. 23 U.S.C. 127 authorizes the withholding of Interstate construction funds in States which do not follow the Federal truck weight limitation laws established in section 127. However, there is no statutory provision authorizing the withholding of Federal-aid highway funds for States which refuse to allow the longer, wider, and tandem trucks to use the Interstate system and designated primary highways.

Senator LAUTENBERG. Again, I don't want to aggrevate any disputes. I simply want to confirm my view of the fact that the options available here include reducing funding requests, as it is, I guess, in the maintenance of the uniform speed limits throughout the country.

Mr. BURNLEY. That authority explicitly exists for maintenance of uniform speed limits.

Senator LAUTENBERG. That has never been applied?

Mr. BARNHART. We have not withheld funds in any cases, but we have certainly worked cooperatively to resolve the problem before we got there.

Senator LAUTENBERG. Delicate language. OK.

Mr. BURNLEY. We just had an exercise, Senator, on the 55 rule where Federal Highways did determine that one State was not in technical compliance. There were some monitoring problems, and as a matter of law, there could have been a period of withholding, but by the time Federal Highways, acting quite aggressively and vigorously, had gone through the exercise of looking at the problem, the State had corrected it. We were able to say to the State, "Go forward," because the way that status works, the moment the problem is corrected, you give them their money anyway, so we did not go through the academic act of withholding it for 30 seconds and then giving it to them.

Senator LAUTENBERG. Right. I understand.

You have said in your testimony, Mr. Burnley, you identify two States, New York and, of course, my favorite State, New Jersey, as having some disputes still open.

Mr. BURNLEY. Yes, sir.

Senator LAUTENBERG. In terms of access, can you just give me a quick update on where the negotiations stand? What are the problems, generally? It is Route 17, I know that. The numbers are familiar to us.

Mr. BURNLEY. I would forward that to Mr. Barnhart.

Mr. BARNHART. We are still trying to negotiate that. Of course, we still have a problem in New York City where we are willing to restrict, on the basis of safety, most of the interstates, but we must have access to northern New York, and we have been working very well with New York City people.

They have a real problem, and we recognize that. We are down to the point where they want some restrictions, but it is too broad and would really be prohibitive.

So we are scheduling another meeting to work them out. Hopefully, we can work this out.

Senator LAUTENBERG. Because the northern portions you are talking about is obviously beyond the limits on the other side of the river.

Mr. BARNHART. Yes, sir.

Senator LAUTENBERG. I don't know where the cities involved come in, State or county, perhaps.

Mr. BARNHART. I would be happy to give you a personal briefing on that.

Senator LAUTENBERG. Just update up to see if we can be of help.

Mr. BARNHART. Actually, it has worked out quite well when you stop to realize we have only had five suits out of 50 States.

Senator LAUTENBERG. I would have considered that in my business life as a very bad record, but I guess here it is OK.

Mr. BURNLEY. We didn't encourage that.

Senator LAUTENBERG. I understand. It is a whole different vocabulary that I am getting used to.

Mr. Burnley, the impact that your proposal on truck taxes would have on trust fund receipts, is that quantified?

Mr. BURNLEY. Yes, sir. It is revenue neutral. In other words, our numbers show that it would come out in the same narrow range as the present structure. Obviously, we are dealing with projections here, and we might be off $10 or $15 or $25 million over a 3- or 4-year period, but it is an amount which, in the context of the highway trust fund, is quite trivial, and it is revenue neutral.

We believe very strongly any proposal that the Congress adopts here has to be revenue neutral so it does not go the erosion of the fund itself.

Senator LAUTENBERG. You do represent the Department's view as being against that and you describe it in terms of equity if I am not correct.

Mr. BURNLEY. Yes, sir.

Senator LAUTENBERG. I wanted to ask Mr. Barnhart a question. The 85 percent, you made reference to those States as having particular problems.

Mr. BARNHART. Yes.

Senator LAUTENBERG. Can you, in capsule form, just identify why those have particular problems?

Mr. BARNHART. Because it is an indeterminant amount.

Senator LAUTENBERG. Are there other ratios, relationship, 85, 90's and so forth?

Mr. BARNHART. No, sir. That is one group that gets back at least 85 percent of the relative share of what they contribute to the fund. There are some variable figures in there that we can't determine.

Senator LAUTENBERG. OK, but the 85 refers to the entire class, more or less.

Mr. BARNHART. Put another way, Senator, every State is entitled to 85 percent of its relative share of what Federal Highway determines it has contributed to the highway trust fund. It is that 85 percent minimum fund that we are talking about.

Senator LAUTENBERG. So there is no exceptional group, either the State participates at that proportion or it doesn't.

Mr. BARNHART. Yes, sir, but it is a little variable, and that is one of the probelms on the various tables, because depending on what table is used, those specific States vary. One State might fall into that category, and another one fall out of that category. Until the Congress makes a determination, we don't know what that is going to be.

Mr. BURNLEY. The tables, again, the tables are a part of the ICE exercise, so until the Congress tells us which tables to read, the Federal highways can't come to final determinations.

Mr. BARNHART. Dick, do you have a point any further?

Senator LAUTENBERG. Let's not hold up the proceedings here while I get a lesson on ratios, but——

Mr. BARNHART. There is $700 million or $600 million involved in that category. That is why it is significant.

Senator LAUTENBERG. Very significant.

How many various approaches? The States use, for their share of the match, gas taxes, bond referendums, other approaches; do you have a feel for what the numbers might be, a share of those who use additional gas tax?

Mr. BURNLEY. Let us provide that for the record, if we might, Senator. I don't think this morning we could be very specific about breaking that down, bonding as opposed to taxes.

Senator LAUTENBERG. Do you have a feeling as to whether most use additional gasoline tax?

Mr. BARNHART. Yes, I would say so, yes, sir.

Senator LAUTENBERG. New Jersey had a very close vote on that, if you followed it.

Mr. BURNLEY. We will provide some specifics of it breaking it down for you.

Senator LAUTENBERG. If you see any other funding approaches, we would be interested.

Mr. BURNLEY. Toll roads, of course, is one.

Senator LAUTENBERG. We also have an abundance of those in New Jersey.

Mr. BARNHART. What we would like to do is give the States the option. If they choose to use some of the Federal funds on toll facilities, we think they ought to have that management latitude. They are presently denied that option.

We think that is too restrictive.

Senator LAUTENBERG. They are presently denied that option?

Mr. BARNHART. By Federal statute. You can use Federal funds on a toll road, toll bridge, or a toll tunnel, but not on the road that would connect them.

Senator LAUTENBERG. OK. Mr. Barnhart, one of the reasons for the passage of STAA in 1982 was a concern for job creation. The States, as we see the report, made a real effort to spend those funds allocated to them. Does that accelerated commitment of funds by the States account for part of the cash balance problem? Is a pattern likely to continue?

Mr. BARNHART. No, sir. No. The States did an excellent job of obligating their funds in real world projects that were there, but they had a backlog. They are necessary projects. They were able to put them into the system immediately.

Mr. BURNLEY. There was no overobligation.

Senator LAUTENBERG. A rush.

Mr. BURNLEY. It was a consulting process.

Mr. BARNHART. One of the problems now, without this ICE, there is over a billion dollars of projects in the States that will not be able to go to contract, a horrendous impact.

Senator LAUTENBERG. The ICE terminology is also something that is kind of new, but I will understand what it is.

Now, in these hallowed halls, I would not think we would be using terms like ICE. In any event, thank you, Mr. Chairman.

Senator ABDNOR [presiding]. Thank you.

One last question that I know of: The highway legislation was originally introduced last year to provide additional emergency relief authorization for those Western States hard hit by winter storms. How are those affected States managing their repairs in the meantime? With the large snowfalls in the Western States this year and the potential for flooding, what emergency relief needs are you anticipating in fiscal year 1985?

Mr. BURNLEY. Needless to say, Senator, in terms of what is anticipated, we are monitoring the situation very closely. It is impossible, with any accuracy, to project what those needs may be.

We have got first and foremost to get through the winter. In fact, I just heard last night that the storm that just hit the West was the worse since 1978. That obviously makes a difference.

I think Federal Highway Administrator Barnhart can confirm this for me. My understanding is that Federal highways at this moment, at least, does not have information that leads us to believe that the melting problem in the West this year is going to cause substantial deterioration beyond that, let's say, what we have already expected.

I don't think that prior to perhaps this last storm that there was ever doubt in that. Again, additional bad weather could make a difference. You might comment, Dick, on how they are doing with their emergency relief funds.

Mr. MORGAN. The States hardest hit last year, Utah and California, are just able to do the emergency work to keep the roads open. The permanent repairs are necessarily being delayed because of lack of authorization.

Senator LAUTENBERG. May I ask one short question?

Senator ABDNOR. Yes.

Senator LAUTENBERG. I wasn't sure; is the whole Federal Highway authority budget essentially comprised of funds from the trust fund?

Mr. BURNLEY. Oh, yes, sir.

Senator LAUTENBERG. Is it 100 percent?

Mr. BURNLEY. We have some administrative costs that are supplied, but the overwhelming percentage funds are through the trust funds, yes, sir.

Mr. BARNHART. We do have special categories that Dick can give you that are outside of that.

Senator LAUTENBERG. But it is essentially the trust fund?

Mr. BURNLEY. Yes. Yes. I mean, it is a dedicated fund.

Senator LAUTENBERG. Thanks, Mr. Chairman.

Senator ABDNOR. Those are all the questions.

Mr. BARNHART. I want to add one thing that I indicated to Senator Symms before he left. I would briefly mention the bill that he put in regarding the cut off of funds if the funds are not obligated. Obviously, we understand his concern and I think he has a valid point. We do think that that could be extremely disruptive, and perhaps a better approach might be to do something to eliminate the need for an adoption or an approval of the ICE.

Senator LAUTENBERG. He said that, though, didn't he?

Mr. BARNHART. He did.

Senator LAUTENBERG. He held it up as a possible bit of leverage.

Mr. BARNHART. That is correct, and if the Congress did come up with some structure where we could simply use a prior ICE and update it each time automatically, that would eliminate the problem. Alternatively, it may be getting to the point where we ought to declare victory on the Interstate System and put the moneys into another category that can be used for primary roads and give more flexibility to the States.

Senator LAUTENBERG. The cleanest way is to get it approved and get on with it.

Mr. BURNLEY. That is correct, Senator, although we are talking about 6 months. I guess it is resolved. We know the exercise is inevitable.

Senator LAUTENBERG. I think Chairman Stafford pointed to that.

Mr. BURNLEY. Yes, sir.

Senator ABDNOR. I am sure the Members of Congress would probably strongly support what you just proposed.

That is the situation, and we appreciate you gentlemen's attendance today.

Mr. BURNLEY. Thank you.

Senator ABDNOR. We stand in adjournment.

[Whereupon, at 11:43 a.m., the subcommittee recessed, subject to the call of the Chair.]

[Responses to additional questions follow:]

**CONGRESSIONAL BUDGET OFFICE**
**U.S. CONGRESS**
**WASHINGTON, D.C. 20515**

**Rudolph G. Penner**
**Director**

May 2, 1984

Honorable Steve Symms
Chairman
Subcommittee on Transportation
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Attached for the record are the questions asked by the Subcommittee pursuant to my testimony of February 29. I appreciate the opportunity to appear before you and will be glad to respond to any further questions.

With best wishes.

Sincerely,

Rudy Penner

Rudolph G. Penner

Attachment

## Responses to Questions for the Record
## Testimony of Rudolph G. Penner
## Director, Congressional Budget Office

| | |
|---|---|
| Question 1: | What will be the effect on the Federal-aid highway program in the future if tax changes result in less revenue coming into the Highway Trust Fund than would come in under the STAA of 1982? |
| Answer 1: | Even at current tax levels and current authorizations, the Highway Trust Fund is not in long-term balance. At some point over the next several years the Congress will face the difficult choice between increasing highway revenues or decreasing authorizations from the Trust Fund. Any further decrease in receipts due to tax changes would have to be offset by a dollar for dollar decrease in future authorizations below current policy, or by a future increase in highway taxes. |
| Question 2: | There have been requests for additional exemptions from the Federal gas tax, including ones for piggyback trailers and taxis and a full exemption for gasohol. Would you comment on the proposed and existing exemptions and their effect on the Highway Trust Fund. |
| Answer 2: | Many justifications have been used for the exemptions from federal highway taxes. Except for those based on non-highway use of fuel--such as for motor boat use of gasoline--few of the existing or proposed exemptions have strong economic rationales. Given the financial imbalance in the Highway Trust Fund, extensions of the current exemptions should be examined carefully, as they will eventually require a corresponding increase in other highway taxes or a reduction in spending. The existing subsidy to producers of gasohol--equivalent to 50 cents per gallon of ethanol--appear particularly questionable given the economic benefits provided by this fuel. Of the proposed exemptions mentioned in the question, that for piggyback trailers can be justified on the grounds that they travel many fewer miles on the nation's highways than do other trailers. |

Question 3: According to the recent DOT alternative tax study, heavy trucks will still be underpaying their share of highway costs. If some form of heavy truck use tax is retained, what do you believe the maximum payment should be and how should it be collected to reduce the burden of paying one large sum?

Answer 3: The heavy vehicle use tax is probably an impractical means to address tax equity unless in combination with other taxes. Any flat tax, even if set at a level that is equitable on average, will mean that vehicles that drive less than average will overpay, while those that drive more than average underpay. One way to modify the heavy vehicle use tax, would be to eliminate it for vehicles that are lightly used, say 15,000 miles per year or less, and increase it for heavily used vehicles--say 100,000 miles or more per year. Instead of collecting the tax in one lump sum, quarterly payments would spread the payment throughout the year.

Question 4: If a diesel differential tax would be substituted for the entire truck use tax, how many additional cents per gallon would be required to raise the same revenue? Several groups have such proposals at present, but each one has a different amount for the differential.

Answer 4: A diesel tax differential of approximately 7.5 cents per gallon would replace the receipts lost through elimination of the heavy vehicle use tax.

Question 5: Do you see any problems in enforcing the collection of a diesel differential tax? What kind of paperwork requirements do you foresee?

Answer 5: A diesel differential tax will be noticeably more difficult to collect than the existing motor fuel taxes. If all diesel prices are raised, a mechanism of income tax rebates for owners of light vehicles would probably be required. (Increasing pump prices for heavy vehicles only appears unenforceable.) The paperwork requirements would be significant, particularly relative to the very small (less than $20 per vehicle) rebate that most owners could expect.

Question 6: What is your opinion on whether States would be willing to participate in collecting Federal highway user taxes?

Answer 6: There are two ways to "encourage" the willingness of states to help collect federal highway taxes: reduce their allotment of federal highway dollars if they do not, or reimburse them for their collection costs. Both proposals have clear negative side effects. On the other hand, states may be more willing helpers if the federal tax eased their own burden in collecting an otherwise desirable tax. Such may be the case with a weight-distance tax.

Question 7: There have been renewed suggestions that a national weight distance tax be considered with administration and collection at the State level. Do you have any idea what the cost of administration and collection of such a tax would be?

Answer 7: We have not attempted to estimate the costs of collecting a national weight-distance tax. While such a tax is, in theory, one of the more equitable approaches to taxing heavy vehicles, its collection presents practical problems. It would certainly require a much higher level of cooperation among the states and federal government than has occurred in the past.

Question 8: The American Trucking Associations testified earlier this month that it supported raising the $72.021 billion which the tax structure of the STAA would raise. Treasury recently revised its estimates, saying the STAA tax structure will raise $73.3 billion. Do you believe that any "revenue neutral" proposal should reflect Treasury's latest estimates?

Answer 8: The most recent, higher Treasury estimate is probably a better baseline than their earlier estimate. The major change in the structure of highway taxes passed by the Congress in 1982, made the first estimate of these receipts subject to more than the usual uncertainties. Thus, it is reasonable to expect some shifts as more experience is gained on the effect of the new rates.

Question 9: Does CBO have estimates on the effect of the existing STAA tax structure on the trucking industry's costs, as a percentage of total trucking costs?

Answer 9: The intercity trucking industry has annual revenues of about $100 billion. Under the pre-STAA tax rates, combination trucks would have paid $1.8 billion in federal highway taxes in 1985. The STAA increased highway taxes for combination trucks by about $1.4 billion a year. This increase translates into an average of about 1.4 percent of industry revenues.

Question 10: What effect do you believe the size and weight changes in the STAA will have on the productivity of the trucking industry?

Answer 10: The size and weight changes in the STAA provide real benefits to the trucking industry, although these benefits are not spread uniformly across all truck classes. We have not attempted to quantify these benefits. Existing studies do not appear to be conclusive in their findings.

Question 11: There is a growing surplus of funds in the Mass Transit Account of the Highway Trust Fund. How much revenues and interest are accumulating, and how could that surplus be used to help correct the shortfall in the Highway Account.

Answer 11: The transit authorizations made from the Highway Trust Fund are roughly in balance with the expected tax receipts. Thus the surplus in the Mass Transit Account consists largely of the interest on the cash balance. Over the next five years, this interest is expected to average about $300 million per year. Transferring this interest to the Highway Account would ease, though not eliminate, the financial pressure on the Highway Trust Fund.

Question 12: Do you believe adequate funds are being spent on research in the transportation field? What should be the source of funding for this research?

Answer 12: The President's budget for 1985 calls for $1.15 billion in budget authority for transportation R&D. Almost all of this is for aviation including $660 million funded by NASA for aeronautical research and $280 million by the FAA for modernization of the air traffic control system. The NHTSA is budgeted for $63 million and the FHWA for $60 million for 1985. While the overall level of funding for transportation R&D appears ample, reallocation of funds among program areas might be considered. A recent CBO special study, Research and Development Funding in the Proposed Fiscal Year 1985 Budget (March 1984), describes some of these options (pages 74-75). A copy is enclosed. * To the extent that this research benefits commercial or financially self-sufficient users, as is the case with most highway research, user fees might be considered to provide the funds.

---

*The study referred to has been retained in committee files.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

OFFICE OF
THE ADMINISTRATOR

April 20, 1984
IN REPLY REFER TO: HCC-10

The Honorable Steve Symms
Chairman, Subcommittee on Transportation
Environment and Public Works Committee
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed are answers in response to your letter of March 6. These questions are in reference to the February 29 hearing.

Please contact me if I can be of further assistance.

Sincerely yours,

L. P. Lamm
Deputy Administrator

Enclosure

QUESTION 1

QUESTION: Would you support the administrative release of Interstate construction and substitution funds in the future if Congress passed legislation directing FHWA to do so?

ANSWER:

Yes, since the 1981 Federal-Aid Highway Act froze the definition of work remaining to complete the System and since the date for withdrawals is now past, except for a few isolated cases. The cost estimates now have become a matter of adjusting for updated designs, discretionary allocations, and work completed.

QUESTION 2

QUESTION: How many potential jobs were affected by the delay in approving the ICE and ISCE?

ANSWER:

According to a recent AASHTO survey, a delay of the ICE approval until March 1, 1984, was projected to affect 475 projects worth $1.24 billion. We have estimated that about 32,000 person-years of employment (in both the direct construction and related support industries) are generated by each $1 billion of highway investment. Based on this factor and the AASHTO data, we estimate that approximately 39,500 potential jobs may have been affected.

QUESTION 3

QUESTION: In Secretary Dole's letter of February 15, 1984, to Senator Stafford, she states that she "would be forced to recommend that the President veto legislation encumbered with unnecessary special interest provisions." Can you be specific about what is meant by "unnecessary special interest projects?"

ANSWER:

There are provisions that provide additional funding for projects that are already eligible for Federal-aid under existing programs at current authorization levels. These projects, in the aggregate, can be a heavy draw on the Highway Trust Fund. We have consistently discouraged new spending authority, especially when funding is already available.

Question #4,

**SENATOR SYMMS Question #4**
**Status of Central Artery**

QUESTION: What is the history and present status of the Central Artery project in Boston, and at what stage in the environmental review process is it?

ANSWER: The Central Artery, opened to traffic in 1958, was built without Federal-Aid Interstate funding. The segment, a six lane viaduct, was incorporated into the Interstate System as a section completed to Interstate standards (i.e. zero cost-to-complete). Subsequently, after the 1972 decision was made by the State not to complete certain Interstate highways (I-695 and I-95) inside Route 128, a preliminary feasibility study was undertaken to consider depressing the Central Artery. In 1974 a draft of the "Central Artery Depression Feasibility Study" was sent to FHWA for review and comment. The State was informed, under our eligibility policy on incorporated segments, that FHWA could not make a commitment of Interstate funds to the proposed major reconstruction of this completed section of Interstate on the basis of the information presented. The State proceeded with further study on the north section and subsequently the EIS was approved for improvements to relieve the weave condition on I-93 from Storrow Drive across the Charles River to the approaches to the Mystic River bridge (U.S. 1). In the spring and summer of 1981 the State decided to proceed with the preparation of engineering environmental studies of minor improvements on the central viaduct portion of the Central Artery. FHWA concurred in limiting improvements on the section to deck work on the existing viaduct. In 1982-83, the State elected to again propose depressing the Central Artery. Public hearings were held on the proposal in the summer of 1983 and a proposed final EIS was submitted to FHWA in September 1983. The State is currently revising the final impact statement based on FHWA's comments.

Senator Symms Question #5

Central Artery

QUESTION: Some engineers familiar with the Central Artery depression concept believe that it is simply infeasible from a technical, engineering standpoint. Have FHWA engineers examined the concept, and if so, what are their findings?

ANSWER: Although FHWA has not made an in-depth technical review of the Central Artery depression proposal, the concept appears technically feasible. If the State continues to pursue the concept, it is likely that the design will change from that which is envisioned at this early stage. There is no doubt that the project would involve very difficult and expensive construction procedures which would require an extended period of time to complete the construction.

QUESTION 6

**QUESTION: The Federal-aid highway program has been an excellent example of the Federal-State partnership. However, with the increasing financial demands on the program, how do you think the competing local and national needs can be reconciled?**

ANSWER:

The most acceptable solution to an overwhelming demand for funds raised by Federal user fees would be to concentrate these funds on projects that are of primary Federal importance. This means applying Federal highway assistance to highways that are "national" in character, e.g., Interstate, and on programs needed to solve problems that are national in scope, e.g., Interstate, primary, bridges on primary, and major highway research. This would leave the more locally oriented programs such as secondary and urban to be financed and, consequently, completely controlled by State and local governments.

QUESTION 7

QUESTION: There is a perception that available funding exists to allow for a wide range of newly authorized projects. What limitations, if any, do you believe should be imposed on new authorizations if a fiscally sound Highway Account is to be maintained within the Highway Trust Fund?

ANSWER:

The Federal Highway Administration and the Congressional Budget Office have both warned of a shortfall in the Highway Account in the late 1980's. If new authorizations are extended at current levels for 1987 and beyond, some compensatory action will have to be taken late in the 1980's to maintain a fiscally sound Highway Account. This compensating action will have to take at least one of several forms, e.g., invoke the Byrd Amendment to control spending, extend the Byrd Amendment to apply to a longer period of time, reduce obligation or authorization levels, or increase the revenues dedicated to the Highway Account which could include a shift of funds from the Mass Transit Account to the Highway Account.

QUESTION 8

QUESTION: What do you view as, first, the most pressing short-term and, then, long-term financial problems for the Federal highway program?

ANSWER:

The Highway Trust Fund (HTF) is able to support the Federal-aid Highway Program as currently authorized through FY 1986. However, beyond FY 1986, it appears that the income of the HTF may need to be raised to continue the program at the FY 1986 level. The addition of special interest programs to be financed from the HTF would only exacerbate the future problem.

QUESTION 9

QUESTION: If highway taxes have to be raised again at the Federal level to cover increased authorizations, what effect will this have on the ability of States to impose their own highway user fees?

ANSWER:

If the Federal highway user taxes were raised again at some future date, we do not anticipate that it would impair the ability of the States to increase their highway user taxes on motor fuels and motor vehicles. In 1983, the year the Federal motor fuels tax increased by 5 cents per gallon, 24 States and the District of Columbia increased their taxes on the highway use of motor fuel. Those increases ranged from an increase of 0.8 cents per gallon in the District of Columbia to 6 cents per gallon in Montana.

Senator Symms: Question 10

## EMERGENCY RELIEF

QUESTION: With the large snowfall in the western States this year, and the potential for flooding, what emergency relief needs are you anticipating in fiscal 1985?

ANSWER:

It is impossible to predict what might happen but it is evident there is a good probability flood damage this year will be as bad or worse than last year.

Nine States in the west are facing flood danger from melting snow. Damage could be magnified by new flooding of highway facilities which were damaged by last year's storms and have not been fully repaired.

Slides and some runoff damage can be expected but it would be difficult to anticipate more than $50 million in highway damage due to snowmelt alone. If FY 1984 damages approach the FY 1983 ER damage estimate of $248 million (not including Devil's Slide in California), a strain would be placed on the ER fund in outlying years. However, at the present, we believe that existing funding will be generally adequate through FY 1985.

QUESTION 11

QUESTION: Legislation has been introduced which directs that for the purpose of calculating the Minimum Allocation, gasohol should be figured as if the entire tax had been paid. What is your view on this proposal? What impact would it have on the Highway Trust Fund?

ANSWER:

The Administration opposes enactment of such a bill. Gasohol is exempt from 5 cents of the 9-cent Federal excise tax which goes into the Highway Trust Fund (HTF). Such a bill would require that the amount of taxes paid into the HTF be determined as if gasohol had no exemption for purposes of determining a State's minimum allocation under section 157, title 23, United States Code.

Section 157 currently provides a minimum allocation to assure that a State's percentage of Federal-aid highway apportionments shall not be less than 85 percent of the percentage of tax payments attributable to highway users in that State that are paid into the Highway Account of the HTF. This provision was designed to reduce the disparity between the amount that a State paid into the HTF and the amount that it received back. The effect of the gasohol bill would be to overcredit Trust Fund payments by some States and shortchange other States by crediting highway users with tax payments that did not occur.

Such a bill would also increase highway funding levels to certain States, creating a further drain on the HTF, because gasohol sales are disproportionately large in a number of the States that now receive funds under the minimum allocation provision of section 157. If the gasohol bill became law, minimum allocations would be increased by about $11 million in fiscal year 1984 and by about $27 million in fiscal year 1985. Potentially, if gasohol sales continued to grow, several hundreds of millions of dollars could be added to minimum allocations over the next several years. These additional funds would be allocated based on the fiction created by a gasohol bill.

QUESTION 12

QUESTION: The 1982 STAA provided that unless the Secretary determined otherwise, 10 percent of the highway funds should be available to minority business firms. FHWA has had a separate program for women's business enterprises. Do you believe there would be any problem in combining the two programs and making WBE's a presumptive class under the MBE program?

ANSWER:

The Federal Highway Administration has a single program designed to improve opportunities for both disadvantaged businesses (DBEs) and women-owned businesses (WBEs) to participate in FHWA-assisted contracts. FHWA operates this program in accordance with the Department of Transportation's overall minority/women's business enterprise regulation, 49 CFR Part 23. Basic program components are identical for DBEs and WBEs. However, recipients are required to set separate goals for DBEs and WBEs. DOT established this separate goal structure to accommodate concerns of both minority and women entrepreneurs that a combined goal system would be disadvantageous to them.

It would not be possible to create a combined DBE/WBE goal in FHWA programs by DOT administrative action. This is because section 105(f) of the Surface Transportation Assistance Act of 1982 directs DOT to use the definition of socially and economically disadvantaged individuals of section 8(d) of the Small Business Act. Under section 8(d), certain groups (e.g., Hispanics, blacks) are presumed to be disadvantaged. Women are not one of these "presumptive" groups, however.

Under section 8(d), the Small Business Administration has the authority to designate additional presumptive groups by administrative action. DOT does not have similar statutory authority.

We have not taken a position on whether the two programs should be combined by statute. However, we see no legal or administrative problem if Congress amended the 1982 Act to combine the two programs and make WBEs a presumptive class under the DBE program. We would expect that DBEs and some WBEs might take strong exception to this approach.

Senator Symms Question #13

Mianus Bridge

QUESTION: Attention was focused again on the bridge needs in this country after the collapse of the Mianus Bridge in Connecticut. What measures has FHWA taken since then to assure that this will not happen in the future, particularly with regard to the bridge inspection program? Do you believe any legislative changes are needed?

ANSWER: The June 28, 1983, catastrophic collapse of the bridge carrying Interstate 95 over the Mianus River prompted immediate action from the Federal Highway Administration in the form of an emergency order directing all highway agencies to reinspect their bridges containing fracture critical details similar to those in the Mianus River Bridge. The highway agencies responded to the order immediately by dispatching their bridge inspectors to inspect and evaluate the safety of all highway bridges with similar fracture critical pin and hanger connections.

Since last June, the FHWA has taken or is in the process of taking a number of other actions to strengthen the Nation's bridge inspection programs. Some of the FHWA actions include:

1. Preparation and distribution of a video-tape on how to inspect pin and hanger connections.
2. Development of new training material for bridge inspectors.
3. Development of a manual for the inspection of fracture critical details.

4. An increased level of oversight by FHWA through field reviews.
5. Initiation of a high level management review of bridge programs.
6. Presentations at last September's general annual AASHTO meeting in Denver.
7. Co-sponsorship of a forthcoming May 1984 American Society of Civil Engineers Specialty Conference on Bridge Inspection and Maintenance.
8. Sponsorship and participation in Transportation Research Board, NCHRP Panel C12-28 Steering Committee activities to direct research on Evaluation of Safe Load Capacity of Existing Bridges.
9. A variety of other management actions to improve bridge inspection quality, uniformity and thoroughness.

The FHWA believes that bridge safety goals will be met within the framework of the existing legislation and that no additional Congressional action is needed.

QUESTION 14

QUESTION: Legislation has been introduced by Senator Specter which would change the Interstate 4R formula using one-third diesel fuel, one-third lane miles, and one-third bridge needs. What is your view of this proposal? The FHWA recently completed a study on the Interstate 4R formula. Please describe the findings of that study.

ANSWER:

We would oppose the Specter bill. The use of bridge needs as a factor does not prove to be a good match for Interstate 4R needs, nor is it a good surrogate for the effect of climate upon highway conditions. In fact, the use of bridge needs would make "losers" of many States typically associated with the severe climates (e.g., Alaska, Wyoming, North Dakota, South Dakota, Colorado, Idaho, Michigan, Montana, and Utah).

The section 137(b) study on Interstate 4R apportionment, recently submitted to the Congress, examined some 25 alternative factors and alternative formulas. Our study concluded that, based on available data, no compelling case could be made for changing the current factors or for varying the relative weights of the factors in the current formula. In short, we found that the political process had done a good job of allocating funds to match the needs.

QUESTION 15

QUESTION: It has been suggested to the Committee that legislation be passed which would calculate a bus' weight for the purposes of axle loadings without passengers and baggage. What is your view on this and how would it affect highways and bridges?

ANSWER:

We oppose this legislation. It is the actual operating weight of the vehicle and axles that is related to pavement and bridge damage, not the empty weight. Unless the bus operator intends to run his bus without passengers and baggage, the weight calculation should be done on the loaded weight as is the case with all other commercial vehicles.

QUESTION 16

QUESTION: Legislation has been introduced which would permit toll financing to be used along with Federal funds in constructing new highways. What are the advantages and disadvantages of such a proposal?

ANSWER:

As stated before the Subcommittee on Surface Transportation in Wheaton, Illinois, on July 6, 1983, in testimony by the Federal Highway Administration regarding S. 524, a bill to permit Federal participation in the construction of certain new toll roads in Illinois, we would support a provision that permits toll financing of new Federal-aid highways if it were to apply to all States. A similar provision for all States was included in the Administration's 1982 highway legislative proposal. We continue to believe that greater control of highway management and financing should be given to the State and local governments. A provision such as this provides the States with greater flexibility and self-determination in meeting their specific highway needs.

Senator Symms Question #17

## HOV LANES ON I-395

Question: Congress recently passed legislation which allows all traffic to use the HOV lanes on I-395 during certain hours. There is a concern over when this provision should be implemented so as not to interfere with a bridge repair project. Has this been satisfactorily addressed by FHWA and the jurisdictions involved?

Answer:

The I-395 demonstration requires that HOV lanes be restricted to vehicles with four or more occupants, buses and emergency vehicles between the hours of 6 and 9 AM and between 3:30 and 6 PM. At all other times, these lanes will be open to all vehicles. As written, the law requires that the demonstration start within 30 days after the reconstruction of the George Mason Bridge begins. However, the law does permit discretion on modifying the demonstration if safety or congestion would be affected. Both Virginia and the District of Columbia have advocated deferring the demonstration until after the reconstruction of the bridge is completed. Instructions are being sent to our field office deferring the demonstration. It is our conclusion that making a change during the reconstruction and permitting general traffic onto the HOV roadways during certain periods would necessitate an extremely complex signing arrangement in an area were motorists would be distracted by reconstruction activities.

If motorists were confronted with unfamiliar and restricted travel paths, it is quite possible that serious motorists' confusion and a significant adverse impact on safety may occur.

QUESTION 18

QUESTION: The House included a provision in H.R. 3103 which provides contract authority for the University Research Grants program. What is your view of this proposal? What kinds of research are universities capable of doing and how helpful is this research?

ANSWER:

DOT strongly opposes this provision. It would fund a program to pay the operating costs of university transportation centers that was originally created in 1978, but has never before been funded by the Congress. UMTA and FHWA currently fund university research projects on a grant-by-grant basis and we find that our research is very productive. Professors will propose projects that we are interested in and we accept projects that have the greatest potential.

The House provision would turn this project research assistance into the payment of routine operating costs. This would directly divert funds from other FHWA and UMTA activities.

We can do all of the research that we seek under existing programs. We are very concerned that, once we start paying routine university operating costs, we will have begun a very expensive and unproductive relationship where we cannot control costs.

Question #19,

**SENATOR SYMMS Question #19**
**Cost of Central Artery and Third Harbor Tunnel**

QUESTION: If construction for the depression of the Central Artery and Third Harbor Tunnel in Boston were funded today, what is the projected total cost? If the Federal Highway Trust Fund contributed 100 percent of the money, what would be the impact on the Interstate System?

ANSWER: The latest estimate for depressing and widening the Central Artery and constructing a four-lane Third Harbor Tunnel is $2.564 billion according to the Final Environmental Impact Statement. The estimate is in 1982 dollars.

If the entire cost of the Central Artery and the Third Harbor Tunnel were added to the cost-to-complete the Interstate System and standard inflation rates are assumed, the impact would be to require an additional year's authorization of $4.0 billion beyond 1990.

If these projects were included in the cost estimates, it would increase the percentage of the Interstate construction funds that Massachusetts receives each year until the project is completed. Since the amount of annual authorizations is fixed, every State that receives more than a one-half of 1 percent minimum share will receive less each year. The impact of adding these projects is to immediately reduce funds flowing to all of these other States and to extend the length of time necessary to complete the Interstate System.

QUESTION 20

QUESTION: As you see it, what is the role of the Federal Government in financing expensive and massive urban highway projects?

ANSWER:

Under current law, the Federal Highway Administration reviews all proposed urban highway projects for which the State requests Federal participation. If a project is eligible for Federal funds and meets Federal requirements, then Federal funds may be used up to the State's limit of obligation authority. The President has submitted a Federalism proposal to Congress that prescribes a diminished Federal role in which the Federal Government would not be involved in projects on the urban-aid system. This reflects a belief that local highways and streets should be the responsibility of State and local governments, because such highways and streets are not "national" in scope and character. The Administration has proposed a similar turn back of authority for secondary system projects in rural areas.

All projects on the Interstate and primary systems--in both urban and rural areas--would remain eligible to Federal assistance, since these projects are "national" in character and carry considerable amounts of Interstate traffic.

Question 21

## FOREST HIGHWAY ALLOCATION FOR FY 1984

QUESTION: In the STAA, Congress increased the total funds available in the forest highway account from 33 million to 50 million dollars and included language changing the basis for the formula allocation. Please explain the status of the new formula regulations and the criteria presently being used to allocate the funds for FY 1984.

ANSWER:

The proposed new formula for forest highway (FH) allocations was published in the Federal Register on March 27. At the end of the 45-day review period, comments will be analyzed by the Federal Highway Administration.

The apportionment formula, based on 1958 land area and land value, was used to allocate FH funds prior to FY 1983 and during the FY 1983 Continuing Appropriations Resolution. The remaining FY 1983 FH funds, made available under the 1982 STAA, were allocated using the above apportionment formula as an interim measure until such time as the relative needs could be determined.

The 1982 STAA requires funds to be allocated for FHs based on the relative needs of the various elements of the national forest system, taking into consideration the need for access as identified through renewable resources and land use planning and the impact of such planning on existing transportation facilities.

In 1983, the designated FH routes were inventoried as to current and future renewable resource use and the estimated backlog of improvements needed to bring them up to a uniform standard. The Forest Service also identified forest resource planning data that indicated highway transportation needs. These data were used to develop allocation factors based on relative need.

Question 21

The following factors were considered in developing a new FH allocation:

- Timber harvest volume;
- Recreational visitor days;
- National forest land area;
- Present value benefit;
- Forest related vehicle miles of travel;
- Percent forest related traffic;
- Forest highway mileage;
- Relative condition of FH: and
- Relative cost to bring FH up to a safe and adequate standard.

It was determined that the factors reflecting the greatest relative need for access involving renewable resources were timber harvest volume and recreational use. These two factors were combined with a third factor involving the relative cost (forest related) to improve FHs. These three criteria were used to allocate FH funds for FY 1984. This allocation method provided a protection provision that ensured each FH area would be allocated at least the amount of funds it received in FY 1982.

Question Number: 22

Question: What is the potential impact on the Highay Trust Fund if individuals donate land for highway projects and States are then allowed to count the land value as their 100 percent contribution to the Federal/State match ratios?

Answer: Under current law, the value of donated land is not counted as a project cost. If States were permitted to count the value of such land as their match against Federal-aid funds, in effect, the "cost" of projects with donated land would increase. With regard to the Interstate System, the cost to complete the System would be increased by the total value of all donations of land after enactment of the statutory change. Since we are committed to completing the Interstate System, Highway Trust Fund outlays would eventually be increased to cover most of that increase in the cost to complete. For other Federal-aid highway programs, Trust Fund outlays would not be increased since Federal-aid apportionments would not increase, but there would be fewer State funds committed to Federal-aid projects and less highway activity generated by Federal-aid dollars.

Question #1

## SENATOR RANDOLPH Question #1
## FHWA Interstate Cost Estimate Review Process

QUESTION: Could you describe the process by which the Federal Highway Administration reviews the States submissions for the Interstate Cost Estimate and how you arrive at ultimate concept approval for a given Interstate segment?

ANSWER: The Federal Highway Administration develops and reviews the Interstate Cost Estimate submittals, as all Federal highway programs, in a cooperative partnership with the States. Specifically, in the development of the 1983 Cost Estimate, an extensive series of meetings and coordination activities were conducted in order to ensure uniformity and compliance with provisions of the 1981 Federal-Aid Highway Act.

The Federal Highway Administration's field offices are charged with the day-to-day coordination in the development of the cost estimates. This was especially true in the 1983 estimate. The estimate preparation required a total review and evaluation of the work needed on all remaining eligible projects on the Interstate System, in accordance with limitations of the 1981 Act. The 1981 Act limited Interstate construction eligibility to those concepts which were approved and included in the 1981 Interstate Cost Estimate. Further the act limited eligibility to the construction necessary to provide a minimum level of acceptable service on the Interstate System. The cost estimate was prepared by the States in accordance with the manual of instructions prepared by the Federal Highway Administration. Costs of work on individual projects were reviewed in detail by engineers of the State and the FHWA field offices to ensure the estimate reflected costs eligible under the 1981 Act, in accordance with the manual which incorporated specific guidance on eligibility.

Ouestion 1

The estimate manual required the detailed review of projects to assure the 1983 estimate reflected the intent of Congress. Basic eligibility for the inclusion of a project in the estimate was arrived at by applying the provisions of the 1981 Highway Act. That is, was the project or concept approved by FHWA and included in the 1981 Interstate Cost Estimate? The costs to be included in the estimate were further limited to the essential work needed to construct the concept, location and design features included in the 1981 estimate. Revisions to the concepts of the 1981 estimate required approval by FHWA Headquarters and required a determination, in accordance with the 1981 Act, that the exception was required by a Federal law. Accordingly, the ultimate concept eligible for Interstate construction funding is arrived at by specific review of the concepts included in the 1981 estimate in accordance with specific instructions (outlined above) contained in the instruction manual used for the preparation of the estimate.

Question #2,

**SENATOR RANDOLPH Question #2**
**Redefinition and the 1983 Interstate Cost Estimate**

QUESTION: Mr. Barnhart, after the 1981 redefinition of the Interstate System, how many States have indicated they have problems with the 1983 estimate because of reductions made in their submissions due to 1981 changes?

ANSWER: During preparation of the 1983 estimate, all States were made aware of any reductions due to the 1981 Act. Many States expressed varying degrees of concern either formally or informally over the various reductions but for the most part the States accepted our final determinations on which work could or could not be included in the estimate. We do not know how many States may still have problems with the reductions; however, Congressional staff recently requested us to prepare an analysis of costs for two States, while a third State continues to disagree with our basic interpretation of the 1981 Act.

# IMPLEMENTATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

---

TUESDAY, MARCH 20, 1984

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
*Washington, D.C.*

The subcommittee met at 9:35 a.m., in room SD-406, Dirksen Senate Office Building, Hon. Steve Symms (chairman of the subcommittee) presiding.

Present: Senators Stafford, Symms, Burdick, and Randolph.

## OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. Good morning. On behalf of the Subcommittee on Transportation, I want to welcome our witnesses this morning. This hearing today, and the one scheduled for this Thursday, are the final hearings which will be held by the subcommittee to review the implementation of the Surface Transportation Assistance Act of 1982 and the current and future needs of the Federal-aid highway program.

I am pleased that the Senate and the House were able to reach agreement on the legislation that permitted some of the Interstate Highway funds to be released to the States, and I am very disappointed that the 2-year cost estimates were not approved so a full year apportionment could be released to the States. This also would have assured the States that next year's funds would be available on time, October 1. I believe the stable, long-term funding security, particularly for the Interstate Systems, was one of Congress goals in passing the Surface Transportation Act of 1982, and by holding these funds hostage to other highway issues, we are not carrying out our responsibility for the Federal-aid highway program.

The committee will be considering legislation shortly which will release interstate construction of substitute funds for the next 18 months. It is my intention to do everything that I can do to make certain that the kind of delay we have just experienced in releasing these funds once they are authorized does not happen again.

It is also time to look forward to the future and begin thinking of the shape of the Federal-aid highway program beyond 1986. This includes both the level of revenue which will be available and the kind of program which will meet the transportation needs of the 1990's and beyond.

Again, I want to welcome our witnesses, and we look forward to hearing your testimony. Before I yield to Senator Randolph who has some brief remarks he wishes to make, I want to welcome Gordon Humphrey here this morning. He is a valued member of this committee, and with him is Mr. John Clements, the commissioner of the New Hampshire Department of Public Works and Highways. We are glad to have John before this committee again. He has been here many times when he was president of ASSHTO, and we welcome you back to the committee, John, and we welcome having the able Senator with you this morning and having him on this committee also. Senator Randolph.

## OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Good morning. I am pleased to join with Chairman Symms and the distinguished ranking member, Senator Bentsen, in welcoming our witnesses to today's hearing on highway projects and amendments to the Surface Transportation Assistance Act of 1982. Congress, by passing H.R. 4957 which released one-half of the fiscal year 1984 interstate construction funds, required that additional action be taken this year. The hearing which we are having today and the additional one on Thursday will provide the committee with the views of Members of the Senate, public interest groups and various others interested in the highway program regarding its future needs both long term and short term.

Our first priority in this legislation must be the approval of the interstate cost estimate to provide the remaining funding for 1984 and all of the 1985 funds. The States must be given sufficient certainty so that they may organize their program of interstate projects over the next 18 months.

Additionally, we shall be examining specific project proposals by members of the committee and the Senate as a whole. While I do not believe individual projects or demonstrations are in the best interest of better Federal transportation legislation, the highway program has apparently blossomed to the point where such action is inevitable. Many members see this route as the only solution to transportation problems in their States. I shall listen to all proposals and consider them carefully when this committee marks up highway legislation next month.

Mr. Chairman, the highway program is important to all Americans, and we must work together to insure its future viability. I am prepared to work with you and others on the committee to move this legislation as expeditiously as possible.

Senator SYMMS. Thank you very much. Chairman Stafford.

## OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. Thank you very much, Mr. Chairman. I think some measure of importance all of us on the committee attach to this subcommittee is the fact that it is the only subcommittee that Senator Randolph, the ranking member of the full committee, and I have retained active membership on.

I want to compliment Senator Symms, the subcommittee chairman, in getting promptly at this job of working for an ISC and ICE for the 18 months that remain in the second half of this year and all of fiscal year 1985. I do hope we can proceed expeditiously as possible to avoid running over the time period when we should have this work done, and I hope that all members—I don't mean to impose any restrictions by saying this—but all members and all of our colleagues in the Senate will have in mind that some $5 billion to $7 or $8 billion is at stake here which would go out to the States for interstate construction and allow a lot of interstate work and that too many special projects may make it impossible for us to get the bill out in order to do this.

Recognizing the realities of the year, I hope that our colleagues will keep in mind the basic thrust of the legislation which we are trying to develop here, which is to get the ICE and the ISCE completed so we can distribute funds nationwide for construction, and so it won't be held up by too many so-called special projects this year.

Senator RANDOLPH. Mr. Chairman, may I be heard briefly?

Senator SYMMS. Certainly.

Senator RANDOLPH. I want the record to reflect not a pleasantry but a truism in that in our able chairman, the Senator from Vermont, we have someone who is knowledgeable, intensely interested, not just in one of the matters that comes before this committee and its jurisdiction, but all the matters, and I think it is very helpful that he is here today as the chairman of the committee, and I, as the ranking member of the committee, we want to indicate by our presence and our participation the importance of what you are doing, Chairman Symms.

Senator SYMMS. Thank you very much. I would just say that as a newcomer to this group I appreciate the assistance of the two Senators, who are here today, helping me get this legislation through, and as we called the chairman last time chairman antifreeze because we appreciated him getting that ice thawed out for us so we could get on with the highway program.

I want to make one apology to all the witnesses here; at some point, the chairman is going to have to leave and go to the Finance Committee where we are working on the truck tax issue, and wrapping up Chairman Dole's downpayment on the deficit, and my presence will be demanded there. We hope we will have some Senators here all morning, but if not, we may go ahead and let Jean Schrag[1] take the witnesses' testimony, and I will promise those witnesses I will carefully read through what they have to say and make an apology in advance.

I will at this point welcome Senator Humphrey and Mr. John Clements to proceed with their statements and testimony.

---

[1] Jean Schrag, professional staff member, Committee on Environment and Public Works.

## STATEMENTS OF HON. GORDON J. HUMPHREY, U.S. SENATOR FROM THE STATE OF NEW HAMPSHIRE; AND JOHN A. CLEMENTS, COMMISSIONER, NEW HAMPSHIRE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

Senator HUMPHREY. Thank you, Mr. Chairman, for this opportunity this morning. As you notice, with me this morning is John Clements who is the commissioner of Public Works and Highways in the State of New Hampshire. He will be testifying immediately following my testimony.

As a preliminary matter, if I may, I would like to submit for the record, to be included where it is not obtrusive, another body of testimony relative to the use of materials produced by convicts in highway construction, if that is all right. [See p. 400.]

The purpose of my testimony this morning is to elicit the committee's support for an authorization to replace the Notre Dame Bridge located in Manchester, N.H. This bridge has been assigned a rating factor of 4.93. I cannot overemphasize the urgency of this request.

Just this past weekend, chunks of concrete, some 8 inches or so square, rained down upon Interstate 293 from the underside of this bridge prompting highway officials to close one lane of the highway.

Mr. Chairman, I am going to abbreviate my testimony here and skip over. I assume it will all be included in the record.

Senator SYMMS. It will all be a part of the record. [See p. 402.]

Senator HUMPHREY. This bridge is nearly 50 years old. It was constructed in 1937 when the average daily traffic was 4,000 cars per day. Today the traffic volume is as high as 17,000 vehicles per day. In a few years, that will rise to as many as 23,000.

The bridge in 1973 was evaluated and found to be both outmoded in its design and engineering and deteriorated in its condition. That was 10 years ago. At that time, the speed limit was reduced from 35 to 20 miles per hour and loads were reduced substantially, such that loads which are commonly used on federally assisted bridges and highways are not permitted on that bridge.

Beyond the savings considerations, Mr. Chairman, there are very important economic considerations, as Commissioner Clements will point out in his testimony with some photos. This bridge is central to the State's largest city, Manchester, and on the eastern side of that bridge, which is the principal part of the city, a substantial rehabilitation program is underway, revitalization program. If this bridge is not replaced soon, that revitalization program will be very much in jeopardy and may well be stalled.

So we have both the concerns of safety and economic revitalization in mind as we come before this committee today and we believe that this bridge is badly in need of replacement. The simple fact is that the State is unable, with its limited highway budget, to address all of the pressing concerns, and that is why we seek this authorization today.

Senator SYMMS. Thank you very much, Senator. John.

## STATEMENT OF JOHN A. CLEMENTS

Mr. CLEMENTS. Thank you, Mr. Chairman. I am glad to be back before your committee. I would like to just say we in the States and particularly in New Hampshire are very appreciative of the action that you and your staff took on the 6-month ice and certainly delighted to hear what you are saying at the beginning of these hearings to complete the rest of the work. It is essential to the Nation's highways, as you have already alluded.

The temporary reprieve of 6 months is certainly welcomed by all the States, but I think all of us know we are right back in the soup again under the guns, as it were, for the next 18 months.

Having this opportunity to come back and work with you, I would like to reflect for a moment on the excellent staff that you have. I think this staff has just been excellent when they have been working with the States. Again, we appreciate the opportunity to talk briefly about this particular bridge.

I am mindful of the fact, having served in the positions we just alluded to, that it has been one of the desires of the States to keep this program as clean as possible. We recognize that the highway program is probably the model program in the United States in terms of user funds going for those purposes for which they were intended, and we have perceived over time that more and more special type projects have crept into the program which many times have been difficult for the committees to address.

However, having said that, I have to agree with Senator Humphrey when we say that this is a "different situation". The bridge discretionary program was conceived by the Congress in the beginning to take care of situations like this. Clearly, this is a case. New Hampshire gets about $8 million a year in bridge replacement funds, and if we were to undertake a project of this magnitude, it would wipe out the New Hampshire bridge replacement funds for 2 to 3 years.

In each one of those years, we have probably from 12 to 24 bridges that are under active rehabilitation. It would set all those back for this one bridge which would really be a travesty for our small State.

The Notre Dame Bridge, as the Senator mentioned, is a vital link between two sides of the queen city of our State. It is the major employment area and, as the Senator mentioned, it has undergone a vital bootstrap rejuvenation of the downtown area, and this bridge is its centerpiece. Many of the properties needed for the new bridge have already been acquired in advance. The worst part is the prediction that our State engineers made that it would have an additional life of about 10 years following 1 million dollars' worth of repairs in 1974.

Now 9 years later it has come true. In fact, we had a failure last Friday. Some people think we must have contrived this just for your committee hearing today, but I can assure you we didn't. It was an inevitable result of the frost cycles and fatigue failure. It was inevitable. The bridge is vital to the economy of Manchester. Without sacrificing the rest of our State bridge repair program, we can't repair it.

I wish there were more funds in the bridge discretionary programs to do it, but in conferences we've had with Administrator Barnhardt, his staff and members of your staff, they indicated there are so many bridges on the waiting list for discretionary funds, even with our rating of 4.9, which is low, no money is available for them to fit it into the program.

I heartily endorse Senator Humphrey's support of this project and hope your committee will look favorably upon it.

Senator STAFFORD. Looking at pictures of the bridge, it appears to a layman to be a similar design and age probably to the bridge connecting Walpole, N.H., with Bellows Falls, Vt.; am I correct in that?

Mr. CLEMENTS. Yes, Senator; it is a bridge of the same vintage as the Walpole/Bellows Falls bridge that was moved about a year ago.

Senator STAFFORD. That had to be moved off and removed because of old age.

Mr. CLEMENTS. That is correct, sir.

Senator STAFFORD. Thank you very much.

Senator SYMMS. I have some questions I am going to submit in writing in order to expedite the hearings so we can hear from other witnesses. Senator Randolph, did you have any questions?

Senator RANDOLPH. I will be very brief. As I looked at the pictures, I thought the bridge resembles the Key Bridge over the Potomac River. Bridges are certainly highly important to the transportation of people and products, just as a part of the highway system itself.

I want to be clear, you get $8.5 million; is that correct?

Mr. CLEMENTS. Approximately $8.5 million.

Senator RANDOLPH. This bridge would cost how much?

Mr. CLEMENTS. Something around $19.1 million, of which we already committed about $2 million of our own funds on the right of way acquisition, so the balance, I think, we would be looking for for construction purposes would be $17.1 million.

Senator SYMMS. $17.1 million?

Mr. CLEMENTS. Yes, sir.

Senator RANDOLPH. If we designated it, Mr. Chairman, it would fall within that eligibility; is that correct?

Senator SYMMS. It is my understanding that is correct, but I think the problem is there are $200 million in those special funds, and they are allocated. I think it would qualify, however. It sounds like a very meritorious project.

Mr. CLEMENTS. I know there are folks here from the Federal Highway Administration, but as recently as this morning, we had a written submission to Senator Humphrey from them that indicated they have over $300 million for bridges that are now under construction in that discretionary program.

Even though our project is low in the rating formula, I think the indication was we wouldn't even make it with $300 million if you had a rating of two. That is the urgent situation of the Nation's bridges, as you all know better than I.

Senator SYMMS. Thank you very much. You make a very good case, we certainly will try to figure out some way. Chairman Stafford, Senator Randolph, and I have all indicated our problem is to try to figure out how we can keep the overall highway program going, which I know you are both interested in, too, as well as to work out some of these special projects like this one. We will continue to work with Senator Humphrey and try to see what can be resolved. Thank you very much.

I see Senator Sasser is here. We will call him up, and, incidentally, is Barbara Vucanovich in the room, and James Spoo? Why don't you both come up to the table so we will be prepared to hear from you as soon as Senator Sasser is completed.

Go right ahead, Senator. We welcome you to the committee. Nice to have you here with us this morning. We look forward to hearing your testimony.

## STATEMENT OF HON. JAMES SASSER, U.S. SENATOR FROM THE STATE OF TENNESSEE

Senator SASSER. Thank you very much, Mr. Chairman. Let me say I appreciate very much having the opportunity to appear before this distinguished committee to comment on the highway bridge replacement and rehabilitation program.

I would like to take this opportunity to thank the chairman, the members of this committee and most especially the distinguished ranking miniority member, Mr. Randolph, for this committee's interest in improving the quality of the bridges in this country.

Mr. Chairman, I have some good news and some bad news for you this morning. The bad news is I have a very long statement, but the good news is I am going to summarize that statement.

Senator SYMMS. Your entire statement will be made a part of the record. [See p. 409.]

Senator SASSER. Thank you. Mr. Chairman, in 1981, I introduced in 1981 S. 1694 entitled the National Bridge Improvement Act. Last year, I introduced identical legislation, S. 1575, along with my colleagues, the distinguished ranking member of this committee, Senator Randolph, and Senator Byrd, Senator Specter, Senator Dodd, Senator Metzenbaum, Senator Stennis, and Senator Tsongas.

Since 1968, as this committee knows, our Nation's bridge program has undergone many significant changes. Yet, structurally deficient and functionally obsolete bridges continue to be a major national problem. Bridges across this country are continuing to reach the ends of their useful life in record numbers. Nearly one-half of our Nation's over 500,000 bridges are either deteriorated or in need of repair.

The Federal Highway Administration estimates that in 34 States, one in three bridges require substantial renewal.

The recently released Joint Economic Committee study entitled "Hard Choices," reaffirm the dire condition of bridges in this country. Nationwide, through the year 2000, our projected highway and bridge needs will approach almost $720 billion, a staggering figure.

Increased investment in our Nation's highways and bridges was cited as the most dominant infrastructural priority for the future. The same publication, "Hard Choices," indicated in my native State of Tennessee, 54 percent of Tennessee's 16,867 bridges are in need of repair:

The bridge repair bill in my State of Tennessee, which we estimated or was estimated at $1 billion in 1982 now tolls some $5.7 billion.

In recent years, we have witnessed a greater commitment to increased funding under the highway bridge replacement and rehabilitation program. However, critical decisions remain to be made regarding the prudent allocation of replacement and rehabilitation funds. In other words, putting the money where it is needed most.

Legislative action is needed to insure that the bridges most in need of repair are the ones that receive a fair equitable distribution of Federal funds.

We also need a thorough and timely program of bridge inspection. There is little room for on-the-job training in the inspection of our Nation's bridges. The highly technical nature of bridge inspections, reporting, and inventory requirements necessitates a nationally uniform inspection quality standards.

In addition, we must insure that the bridge sufficiency ratings are adequate and accurate indicators of bridge repair priorities.

Just let me speak of incidents that occurred a short time ago in my State on a bridge called the Shute's Branch Bridge in Wilson County, Tenn. The Shute's Branch Bridge was built in 1954 and has a sufficiency rating in excess of 50. The bridge was designed for two lanes of traffic with an approach roadway of 16 feet, the minimum design standard in Tennessee at that time.

In recent years, the traffic demands on the Shute's Branch Bridge has increased dramatically. As a consequence, in the early 1970's, Wilson County widened the approachway to 20 feet but was unable to widen the bridge. The Department of Transportation estimates today's daily traffic on the Shute's Branch Bridge is in excess of 3,000 vehicles per day. The current minimum Tennessee Department of Transportation criteria recommends that new bridges carrying 3,000 vehicles per day should include a 24-foot roadway width or an absolute width of 40 feet. Yet, the Shute's Branch Bridge continues to have a 20-foot width. Seven schoolbuses cross this bridge four times daily and recently two of these school buses got to the bridge at the same time and sideswiped one another on the way across.

So safety is a major concern, both where bridges are structurally deficient and functionally obsolete.

The committee, I would submit, should consider changes in the sufficiency ratings which accurately reflect this condition. Mr. Chairman, this committee must continue to press for improvements in our bridge rehabilitation and repair program, and I am confident that it will.

Our legislation, S. 1575, represents a step in the right direction, and I commend it to you, Mr. Chairman, and the committee, and I am confident that the Public Works Committee will move forward expeditiously with a sound bridge repair program in order to insure the safety of millions of drivers and passengers across this country.

Mr. Chairman, thank you very much for allowing me to appear here this morning.

Senator SYMMS. Thank you very much, Senator. I appreciate you being here and appreciate your interest in the national bridge program. Do you envision that S. 1575 would be funded out of the trust fund or out of the general fund?

Senator SASSER. Mr. Chairman, I don't know that we really focused on that. I would like to get the funding wherever we could. I think that is a matter that addresses itself perhaps more to this committee than myself.

Senator SYMMS. Primarily what you are trying to do is get an inventory that is more accurate of what the situation is.

Senator SASSER. That is correct; yes. What I am trying to do is get an accurate rating system as to the condition of the bridges and then get a fair and equitable allocation of funding to those bridges that are most in need of repair. It has been my experience that many times what limited funding is available, because of an inadequate rating system, actually goes to those bridges that don't need it as badly as others do that are passed by.

Senator SYMMS. Thank you. Senator Randolph.

Senator RANDOLPH. I would like to make this comment because Senator Sasser correctly called our attention to the need for bridge reconstruction and the constant checking of these bridges. I recall the Silver Bridge tragedy in November 1967 across the Ohio River from the Point Pleasant area. Many would remember it. There were more than 25 lives lost when that bridge collapsed because of traffic moving over it at the time.

At that time, I called for special legislation because of the scope of that problem. There was no desire to hold back and we moved quickly. President Johnson at that time was immensely concerned and signed the special legislation, and then that brought the program into being which Senator Sasser has mentioned here today.

We thank you for your testimony, and I think increasingly, we must not sidetrack bridge construction and repair. Thank you.

Senator SASSER. Thank you.

Senator SYMMS. Thank you very much, Senator Sasser. We appreciate you being here. We appreciate your continued interest.

Senator Bumpers has just come into the room. Senator Bumpers, we are ready to hear your testimony if you are ready to testify, and then we will get to you, Barbara, if you will forgive us.

Senator, we welcome you to the committee this morning and look forward to what you have to say. Please go right ahead.

## STATEMENT OF HON. DALE BUMPERS, U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator BUMPERS. Mr. Chairman, Senator Randolph, thank you very much for allowing me to take a couple minutes this morning to talk about two things in my State. The project, which is nearest and dearest to me, is located in Fort Smith, Ark. It was authorized by the House last year in the Surface Transportation Technical Amendments Act.

As you know, the Senate refused to go along with any of those special projects in order to get the bill out. We agreed that we wouldn't offer any amendments when the other bill came up just a few weeks ago. That is the way we got it out.

Mr. Chairman, I would like to speak extemporaneously and submit a statement. I would also like to submit some other data with it.

Senator SYMMS. Your entire statement will be submitted as you wish it. [See p. 415.]

Senator BUMPERS. Mr. Chairman, I don't want to get into a discussion of the desirability of special projects like this. Congress has always done them, and I personally favor this one because here is a project in an area that is very close to my hometown. I know the area extremely well. It is a project which has to be done at some point, but the city of Fort Smith will never be able to use its urban high-density funds to get it done. It will take all the money they could possibly get over 5 years; it would take all their high-density funds for 5 years just to do this one small project.

To give you a rough idea of what the project entails, there is a street called Rogers Avenue that intersects with Waldron Road, and we call this the Waldron Road project. About 45,000 cars a day go through this intersection. Rogers Avenue is a four-lane street, really, but it is also part of a State highway. Turning onto Waldron Road or from Waldron Road onto Rogers Avenue is the big problem. It is a very congested area. I do my Christmas shopping in this area because the shopping centers and malls are all over, and two more are under construction.

In addition to that, incidentally, West Arkansas Community College, in which I have some fraternal interest, is located about just a mile and a half from this intersection. Between 1975 and 1983, the community service program alone at West Arkansas Community College has grown from 500 students to 12,000, well over a 2,000-percent increase.

But I am just saying, when you consider the monumental increase in the enrollment at West Arkansas, plus all these shopping centers that have been built in the area, it has become the commercial center of the city. We have a safety problem.

In the past 3 years, there have been over 179 accidents either at that intersection or near that intersection. I never realized just how bad the problem was until this past Christmas. I tried to visit all those shopping centers in the Waldron Road area to do my Christmas shopping, and it was just impossible.

The State of Arkansas would very much like to do it; the city of Fort Smith would like to do it. It is the same problem you hear here day after day, it just cannot be done. We don't have the money, and we are not ever going to have the money. When you consider that there are 15,000 cars entering Rogers Avenue from Waldron Road on a two-lane road, that just gives you some idea of the magnitude of the problem. During rush hours and Christmastime, the problem is so much worse than that.

This total project not only involves the widening of Waldron Road, but when you travel down Waldron Road a little ways, there is another street, Grant Avenue, that runs back into I-540. The project includes Grant Avenue too, and the total cost of the whole thing, Mr. Chairman, is $8.5 million.

I would earnestly plead with this committee if we are going to include any projects at all that we include this one. It is one that I hope to be able to furnish you an aerial map of just during a routine day plus maybe an aerial map of what it looks like during the rush hour so you get some idea of the magnitude of the problem.

I also would like to get you a highway map which I don't have right now so the committee can use that for its consideration.

The second thing I want to mention just briefly, Mr. Chairman, is this. In Arkansas, we still have four ferries that cross streams. Those ferries are operated by the Arkansas Highway Department. In 1982, when we passed the Surface Transportation Assistance Act of 1982, we put a lot of money in that for the replacement of bridges. In 1984, about $1.65 billion is going to be made available to the States for that purpose. That is a very important program, and I have no quarrel with it. It is something badly needed and overdue. But I can tell you in my State, we have four ferries which also represent rather hazardous conditions.

What I would like very much and what the Arkansas Highway Department would divinely hope is that at least a portion of this bridge replacement money could be used in our State, for example, to build some bridges, to replace those four ferries. We are willing to put up some money if we can just use a part of this bridge-replacement money to do it.

The committee has resisted this in the past for perfectly legitimate reasons. I would urgently urge this committee to reconsider its position on that to at least allow us to use some of that money to replace these ferries. They are just as dangerous, in my opinion, maybe more dangerous, than a lot of the bridges on some secondary road that we are using these moneys to replace.

Those are my two sermons, Mr. Chairman. I appreciate your indulgence and I will be happy to answer any questions you might have.

Senator SYMMS. I thank you very much for being with us this morning, Senator. I know we on this committee value your input, particularly in view of the fact that you had the experience of being Governor of your State prior to coming here, which puts you in the business of understanding the importance.

Senator BUMPERS. That is a very classy league.

Senator SYMMS. I note that does make a person very conscious of the transportation problems of the States, and we appreciate your input.

Senator Randolph, did you have any questions?

Senator RANDOLPH. Thank you. As always, Senator Bumpers provides impressive testimony and does it convincingly. I want to turn aside for just a moment. Did you say the college had gone from 500 students to 12,000 students?

Senator BUMPERS. That is just in their community services program. I don't want to mislead you, Senator Randolph, that is not a total enrollment increase, but it is the community services program which means most of those people are going to that college at least once a week and most of them three to four times a week.

Senator RANDOLPH. It does present then a travel problem in that area.

Senator BUMPERS. Yes. Frankly, Senator Randolph, I don't know of an intersection in Washington that compares in congestion with this particular intersection, and I know this city reasonably well.

Senator **Randolph**. I have no right to speak for anyone except myself, but this will be a project—I am sure others will feel as I do—that we will give very careful attention to.

Senator **Bumpers**. Thank you very much.

Senator **Symms**. Thank you, Senator. We appreciate your testimony.

We will place in the record the statements of Senators Nunn, Laxalt, and Hecht. [See pp. 427, 431, and 434.]

Our next witness is Barbara Vucanovich, new Congresswoman, from Reno, Nev. We welcome you to the committee. I see Senator Burdick is now here. Before you start, Barbara, I want to repeat again that I want to apologize in advance to any of those witnesses if you see me get up and leave. I have to go to another meeting. I want to ask you one question before you start, that is, you and Mr. Spoo. I want to know if Johnny Skwadra supports this project?

Representative **Vucanovich**. You bet he does.

## STATEMENT OF HON. BARBARA VUCANOVICH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Representative **Vucanovich**. Chairman Symms and members of the committee, I am pleased today to have this opportunity to appear before you on a matter of ongoing concern and importance to me personally and to the residents of Reno/Sparks area of Nevada, Sparks Boulevard interchange, I-80. I appreciate you taking the time to hold these hearings and consider the future highway needs of this country. I would also like to take this opportunity to commend the distinguished mayor of Sparks, Mr. Spoo, for his fine efforts in developing interchange requests and for bringing his case to the Nevada delegation. Mayor Spoo is here to testify today and will be giving you a detailed presentation of the Sparks project. So I will briefly convey to you my belief in the urgency, at Mayor Spoo's request, and my strong feelings about the justifications for Federal financial assistance to aid the Sparks community.

The construction of a new interchange at Sparks Boulevard will serve to improve serious existing traffic safety and congestion problems. This congestion is a major hindrance to commerce in a rapidly developing sector of Sparks, and is not too far from Mr. Skwadra's place.

In addition, I am personally very concerned about information I received in correspondence from the Washoe County School District which indicates the hazards now presented to some of the district's 150 schoolbuses which must use the existing roadway system.

In addition, I am disturbed about current inadequacies to access to the newly completed Sparks Family Hospital. The potential for a tragic accident here is all too clear.

Sparks interchange is part of the city's development plan and has the widespread support of the regional and local communities. The interchange will serve extremely high volume interstate traffic in addition to local, residential, and commercial vehicles, and will significantly improve the traffic flow. Rapid population growth has seriously impacted the interchange and traffic flow at McCarran

Boulevard and I-80 at such a dangerous level that I must appeal for your help in providing for the safety of the residents in the entire region.

I endorse and give my wholehearted support for project funding for the Sparks Interchange project. As Nevada is a minimum apportionment State, has an already long overdue list of highway construction priorities, and was excluded from the Federal Highway Administration's recent allocation of interstate discretionary funds, I cannot emphasize enough the importance of this request.

I am keenly aware of the shortage of available highway construction resources, but I believe my State has of late been shouldering a disproportionate share of the financial sacrifices, and I would like to point out that the Sparks community itself has already contributed in excess of $5 million to these projects to illustrate the willingness of the local community to share financial responsibilities of these projects.

I believe this demonstration project legislation is necessary and warranted. I respectfully request the full support of this fine committee to fund the Sparks Interchange project and express my warm appreciation for having had this opportunity to testify here today.

I would like to introduce and extend a warm welcome to the mayor of Sparks, Nev., who traveled to testify before this committee.

Senator Symms. Mayor, we welcome you here and, Barbara, thank you very much for your excellent testimony. I am familiar with that area. In fact, last summer, I drove through Sparks when my son happened to be married in Reno. I took a look at that particular place, and I do realize it is one that you are very interested in. We appreciate your concern and interest.

I want to apologize to you, mayor. I have been notified by my staff there is a raid on the Highway Trust Fund taking place in the Finance Committee. I have to go down there and defend honor and justice in the event this raid does take place. So I will excuse myself and leave this committee in the capable hands of Senator Randolph and Senator Burdick. I will come back as soon as possible. For right now, I have to go leave.

## STATEMENT OF HON. JAMES L. SPOO, MAYOR, SPARKS, NEV.

Mr. Spoo. Thank you, Mr. Chairman. Before I proceed with a short statement, I would like to indicate that with me today in the audience is the director of the State Department of Transportation for the State of Nevada, Mr. Al Stone, as well as the city manager of the city of Sparks, and in addition, the director of public works of the city of Sparks, Mr. David Roundtree.

Sparks, Nev., is a rapidly growing city of 44,000 located adjacent to the city of Reno at the base of the Sierra Nevada Mountains. The Reno/Sparks metropolitan area with a population of 200,000 is the only significant population center on Interstate 80 between Salt Lake City and the cities of Sacramento and San Francisco. The interstate serves as a major transportation route for the trucking industry with Nevada essentially serving as a bridge state. Recent statistics show a daily average 5,500 double-axle vehicles on the interstate in the vicinity of the proposed project. The area also serves as a major warehousing, distribution, and trucking terminus for the Western United States.

Between 1970 and 1980, the population of the city increased by 69 percent. Three-quarters of the new housing and industry development in Sparks since 1970 has been located in the vicinity of the proposed interchange. Another 3,000 to 5,000 dwelling units and 400 acres of industrial development in Sparks are expected over the next 5 years.

The Census Bureau reports that Nevada is the fastest growing State in the Union and an intense period of commercial and industrial expansion is underway. All available land within the city's boundaries is scheduled for use and additional annexations are being forced upon the city.

The proposed project of a full interchange at Sparks Boulevard and Interstate 80 has, since 1978, been a critical element of the master plan for growth management.

The city of Sparks is split by an east-west corridor which contains Interstate 80 and the Southern Pacific Railroad line. This corridor presents a barrier between major residential areas and the employment centers. The corridor is penetrated in a very limited number of locations which causes traffic to heavily concentrate. The most severely impacted location is McCarran Boulevard and McCarran Boulevard interchange with Interstate 80, the capacity of which is exceeded during several hours on any given day.

During the past 12-month period, McCarran Boulevard generated 280 traffic accidents. This single street accounted for more than 20 percent of the total number of accidents in the city and included 44 injuries and two fatalities. Neither ambulance, police or fire assistance can be expected to penetrate the barrier of Interstate 80 during peak traffic hours.

During peak hours, off-ramp capacity is exceeded and cars are backed up on the eastbound I-80 travel lanes. Imagine a situation where the off-ramp traffic is stopped still and the interstate traffic whizzes by at freeway speeds. This is a potential catastrophy.

The city has spent several hundred thousand dollars in traffic control improvements in an attempt to mitigate the situation, but it has been like a Band-Aid on a major wound. The real solution is the proposed interchange. Traffic volumes projected at the Sparks Boulevard interchange indicate that it will be most heavily used north/south penetration on the I-80 corridor in the entire Reno/Sparks area.

The citizens overwhelmingly approved $5 million in general obligation bonds for the project. In 1980, the Federal Highway Administration authorized the interchange as a penetration of and access to Interstate 80. The environmental impact statement for the interchange received final approval in August 1982. By cooperative effort, Sparks and the Nevada Department of Transportation were able by July 1983 to complete the design of Sparks Boulevard interchange in an incredibly short period of time. All right-of-way has been acquired and the project is ready for construction.

To this point, the city of Sparks has expended nearly $5.5 million of its own money. I would suggest that seldom will you see a community of this size support a project to that extent.

The city of Sparks has received resolutions and letters of support from all general government and planning bodies in the northern Nevada area, along with overwhelming support from industry and citizens for completion of the interchange.

Because the Sparks Boulevard interchange was not originally slated as part of an interstate system, it is not eligible for Federal aid interstate funding or interstate discretionary funding where the large dollar appropriations have been made. Instead, it must compete for Federal aid interstate for our funding which is to be used primarily to preserve the existing system.

The State of Nevada's annual allotment in this category of funding is only $21 million, an amount which is to be used to maintain an entire interstate system statewide. The Sparks Boulevard interchange project at $22 million, which is the total project cost, Mr. Chairman, the remaining construction costs $15 million, $5 million having been expended by the city itself in right-of-way purchase.

The Sparks Boulevard interchange project at $22 million is more than the State's entire allotment. It could be ten years or more before sufficient money from this funding source could be accumulated to fund this project.

Respectfully, Mr. Chairman, the citizens of Sparks have already dug deep in their own pockets in support of this project. We have laid all of the groundwork for the project in the event special funding is allocated in the wisdom of the Congress. Thank you, Mr. Chairman.

Senator BURDICK [presiding]. Any questions, Senator Randolph?

Senator RANDOLPH. I listened carefully to the representative of the district. How many representatives are there in the House?

Representative VUCANOVICH. We have now graduated to two, Senator.

Senator RANDOLPH. That is true.

Representative VUCANOVICH. I represent 16½ of the 17 counties, a very large district and not a lot of people. I represent all of the State with the exception of Las Vegas and south of Las Vegas, even part of Clark County.

Senator RANDOLPH. You have two representatives now?

Representative VUCANOVICH. That is correct.

Senator RANDOLPH. It is the only State who has two representatives and two senators; is that right?

Representative VUCANOVICH. There is still some that have just one, Alaska, Delaware, Wyoming.

Senator RANDOLPH. But you have graduated.

Representative VUCANOVICH. We have graduated; we have grown.

Senator RANDOLPH. Is Sparks a gambling section as Las Vegas and Reno?

Mr. SPOO. Yes, Senator, the entire State is gambling based.

Senator RANDOLPH. I mean are there casinos there that are important, large hotels, so forth?

Representative VUCANOVICH. Yes.

Senator RANDOLPH. Is it a resort area with recreation?

Representative VUCANOVICH. Yes, that is correct, but Sparks was a railroad town originally.

Senator RANDOLPH. How did it gets its name?

Representative **Vucanovich**. There was a Governor by that name. It is named for Governor Sparks. We have, what, three or four fairly large casinos. One quite large casino, Skwadra's Nugget, from Idaho. That is how Chairman Symms knows him.

Senator **Randolph**. Mr. Chairman, the projects that come before us, the one in New Hampshire, the one or more in Tennessee, the projects in Arkansas and now the matters in Sparks and that area, are all indicative of the high cost of doing business these days in connection with construction of highways and bridges and the maintenance of them after they have been constructed. They are certainly the arteries of traveland trade that are used in a way that few people understand, the impact that comes constantly, second by second, and minute by minute upon these facilities.

We must not forget, and I know members of this committee will not forget, our responsibility in connection with bringing to the Senate and to the House these matters that are so paramount to the continued growth of this country. That is the movement of people and the movement of products. You can't separate them, going to and from work. I know what it means, in West Virginia, to have good roads, and I know what it means in your State.

I pledge to you as one member of the committee, continuance of my awareness of this problem. Wherever the dollars can be found, sometimes we will go out and find them, and we must do that, even though at times it is very difficult to provide the funding.

Senator Burdick knows very well and has expressed often the importance of the highway programs in his own State. These hearings are not just appendages to take care of this project and that project because someone wants it. It is because the need is there; is that right, Mayor?

Mr. **Spoo**. Absolutely, Senator.

Senator **Randolph**. Absolutely, the need is there. That is why we must consider these projects very, very carefully. I want to spend some of these dollars in the United States of America and less abroad.

Senator **Burdick**. Thank you very much.

Representative **Vucanovich**. Thank you, Senator.

Senator **Burdick**. Our next witness will be Ms. Wendy Johnson, project director of the Women's Opportunity in Road Construction, Southeast Women's Employment Coalition. Welcome to the committee. You may proceed.

## STATEMENT OF WENDY JOHNSON, PROJECT DIRECTOR, WOMEN'S OPPORTUNITY IN ROAD CONSTRUCTION, SOUTHEAST WOMEN'S EMPLOYMENT COALITION

Ms. **Johnson**. Thank you. Greetings to you presiding Senator Burdick and Senator Randolph, as he leaves. On behalf of the Southeast Women's Employment Coalition, I want to thank you for the opportunity of sharing our concerns regarding the implementation and administration of the Surface Transportation Assistance Act of 1982 as it relates to women.

The nickel-a-gallon gasoline tax bill signed by President Reagan in January 1982 marked the continuation of Southeast Women's

Employment Coalition efforts to break the barriers of sex discrimination in the highway construction industry.

Since the passage of the gas tax, funds are going out to the States at the rate of about $1 billion a month and in many States, the State departments of transportation are the largest employers. The gas tax increase is expected to generate an additional 320,000 new jobs predominantly in the private sector. The impact of the gas tax bill is far reaching. The road construction work force is nationally based, employs in both rural and urban areas, and contains both training and employment opportunities for women that represent long-term career potential. The work force covers 16 occupational categories ranging from white-collar positions to blue-collar unskilled jobs, but the diversity of opportunity hasn't meant women have become an accepted part of the industry.

Southeast Women's Employment Coalition documented the extent of the problems with research in 1979 that concluded with an analysis that men held 96.3 percent of all jobs available in the Federal-aid road work being performed by private contractors. Of that total, less than 4 percent of the work force was women and one-fourth of 1 percent of these were minority women.

In the last 10 years, the few women recruited have been unable to attain the higher paid skilled jobs, despite their relatively higher percentages as trainee apprentices and as less skilled or unskilled workers.

Employment of women in State departments of transportation is quite similar in comparison. Investigation by SWEC documented hiring and employment practices parallel to that found in the private construction work force.

Our study further demonstrated the underlying reasons for such low female representation is not because women aren't interested in this type of work, but because sex discrimination is so pervasive throughout the industry.

Few, if any, of the major contractors of State departments of transportation are making aggressive, affirmative efforts to recruit women to make up at least 6.9 percent of each job category. Yet SWEC has documented that many women want and need these jobs.

In 1981, SWEC advertised in the Louisville Courier-Journal and Times for women who were interested in performing construction work. Within 2 days, SWEC had received over 300 responses from women, most of whom had farm and other labor experience which would qualify them for entry-level positions.

The office of Women's Rights in Seattle, Washington, established an initial goal of 12 percent for women in all levels of city-financed construction work. In 1981, the goal was raised to 18 percent to reflect the increasing level of female utilization

In San Francisco, PREP, Inc., a skilled trades outreach center for women, received over 1,100 applications after advertising for 125 positions. They were forced to withdraw their advertisement due to the magnitude of the response.

It is evident that once sex discriminatory barriers were lifted, women flocked to these job opportunities because of high pay and long-term career potential.

In further support of our efforts for reform in the construction industry, the coal employment project documented there were no women underground coal miners in this country in 1973. But once women started applying pressure and coal companies were forced to hire women, they had no trouble finding qualified women who wanted those jobs. By 1979, 11.4 percent of all underground coal miners hired nationally were women.

Although nontraditional employment will continue to constitute a small percentage of the total jobs employing women overall, they are nonetheless economically significant jobs for women.

Most women experience a 200-percent increase in wages upon employment in nontraditional blue collar work. The quickest way for women to increase their income is to become employed in a man's job. Thus, employment in Federal aid road construction is increasingly important to women as private sector jobs, heavily subsidized as it is by public works expenditures and increasing tax commitments. It is an important opportunity for American women to improve their wage earning capacity, and it exists nationwide.

Based on its 1979 investigation, SWEC filed a legal complaint against the U.S. Department of Transportation in 1980 charging a blatant pattern of sex discriminatory hiring and employment practices by the 51 DOT's and 35 of the country's largest private construction firms performing Federal aid road construction.

The complaint is the only external enforcement mechanism of its kind dealing with sex discrimination in the industry.

At present, negotiations with U.S. Department of Transportation officials are underway for a comprehensive investigation and review of the industry. However, we are frustrated at this point because the U.S. Department of Transportation has no formal process in place for investigating a complaint of this nature and magnitude. This lack of process can possibly jeopardize the final outcome of the complaint.

Although compliance reviews are said to be ongoing, this calls into question the effectiveness of the review process. A recent review of the most current date reflecting work force utilization of women indicates that no significant progress has been made since 1979. In California, for instance, female utilization by private contractors is 2.9 percent in the crafts/trades category. The figure is much lower, 1.6 percent within the State's internal work force.

Similarly, Missouri shows a record of 1.7 percent females in the crafts/trades category, with only 1 percent reflected within its internal work force.

We believe the compliance reviews are being rubber-stamped with a business as usual attitude and that they underline a serious lack of enforcement responsibility. Because of this lack of enforcement, the construction industry needs continuing oversight by this committee and other appropriate bodies.

It is clear that the gas tax increase generated a tremendous public works commitment on the one hand, and a national jobs generation strategy on the other. It marked the beginning of continuing debates in public policy issues critical to women, since the impact of the bill is to target resources and strategies for creating and sustaining jobs that in fact are sex specific.

According to the U.S. DOT, "The purpose of the bill is to correct a situation we feel is very serious, and there will be the benefit of jobs. Women aren't the issue." But we believe anytime tax dollars are used to support an industrial sector that is 96.3 percent male, women are the issue. Failure to address the longer range implications of such a policy at the point it begins and implemented is to insure that women will not be served by the benefits of public works programs that they in fact support through their own tax dollars.

Thank you, Chairman Burdick.

Senator **Burdick**. Thank you very much. Our next witness will be Mr. James Caywood, immediate past chairman, American Road and Transportation Builders Association and president, DeLeuw, Cather & Co., accompanied by Daniel J. Hanson, Sr., president, American Road and Transportation Builders Association. I might say, we have some absent Senators from the committee this morning, but the committee will permit the absent Senators to submit questions for those of you on the panel and you may answer them in writing.

## STATEMENT OF JAMES A. CAYWOOD, IMMEDIATE PAST CHAIRMAN, AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION AND PRESIDENT, DeLEUW, CATHER & CO., ACCOMPANIED BY DANIEL J. HANSON, SR., PRESIDENT, AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION

Mr. **Caywood**. My name is James A. Caywood, president of DeLeuw, Cather & Co., with headquarters in Washington, D.C. I am here today representing the American Road and Transportation Builders Association, of which I am the immediate past chairman. I am accompanied by our first president, Daniel J. Hanson, Sr. At this time, I ask that ARTBA's complete statement be printed in the record, and for the sake of the subcommittee's time, I ask permission to summarize my statement.

At the outset, Mr. Chairman, we would like to express our deepest appreciation for the hard work of the members of the subcommittee and, indeed, the full Senate, on Environment and Public Works for the passage of H.R. 4957 earlier this month. We are hopeful that freeing up some of the interstate construction funds can put substantial new work to contract during the 1984 construction season.

I don't think I have to remind the members of this subcommittee that interstate construction schedules have been disrupted. The facts speak for themselves, and I will not belabor the point.

It is our hope, however, that Congress will move with dispatch and approve a new 18-month interstate construction estimate at the earliest possible date. We urge to resolve this key issue as soon as possible and without further delay.

Revenues in the highway trust fund should be made fully available for the expenditures authorized by Congress. There should be no compromise on this point. We strongly recommend that the highway obligation ceilings established in the Surface Transportation Assistance Act of 1982 be fully implemented for fiscal years 1985 and 1986.

ARTBA supports the $13.875 billion ceiling proposed in the President's budget.

For the past several years, the highway program has been subjected to a first quarter obligation ceiling. No State may obligate in the first quarter more than 35 percent of the obligation authority assigned to it during the fiscal year. Furthermore, the national goal of obligations in the first quarter may not exceed 25 percent of the fiscal year obligation ceiling. The only reason for this restriction is to delay cash outlays in the highway trust fund. Existing law requires that initial construction be underway on all remaining interstate segments no later than September 30, 1986. This deadline must be met and not extended. Special provisions can be made for the few isolated situations where legal challenges may remain unresolved at that time. However, we must soon get to the point where the final location design of the interstate system will be complete.

ARTBA strongly recommends that the next Interstate cost estimate after the one now pending be the final one. All that is really needed at that time is a fiscal mechanism in order to insure that the Federal share of remaining costs will be available as needed for the States to complete the Interstate system.

In September 1983, ARTBA wrote to all the members of this committee to express an urgent concern that funding for the highway bridge replacement and rehabilitation program should be increased to $4 billion per year. It also recommended at that time that the Federal/State matching ratio be set at 90–10. This would provide for a bridge program of about $4.4 billion per year, including State matching. There is currently a $46.9 billion backlog in bridge needs. ARTBA anticipates that future needs will reach close to $3 billion per year. We will reduce this backlog by investing at least $4.4 billion in bridge replacement and rehabilitation each year. Even then, making no allowance for inflation, it would take almost 40 years to eliminate the entire backlog.

Under the present system, we will never catch up. This simply will not do and is unacceptable. The penalty for noncompliance with numerous Federal requirements is the withholding of Federal aid highway funds. The application of such sanctions may have been appropriated in some situations. The very first Federal Highway Act in 1916 provided for the withholding of Federal funds from the State which failed to organize a highway department suitably equipped to manage these funds. Penalties are entirely inappropriate in cases where the State highway agency is powerless to bring the State into compliance. The withholding of Federal highway funds from areas which fail to meet clean air standards, for example, is unjustified.

The Secretary of Transportation has sent to Congress draft legislation to establish a National Highway Safety Administration. This new administration would encompass all of the current responsibilities of the National Highway Traffic Safety Administration. In addition, some of the safety-related functions of the Federal Highway Administration would also be included. We are particularly concerned with the proposed change in the administration of section 402 programs.

Under this program, the Secretary of Transportation promulgates uniform standards in 18 highway safety areas. One standard, pedestrian safety, is a joint responsibility of NHTSA and FHWA. Three others have direct responsibility of FHWA. One is obligation and surveillance of accident locations. Second, highway design, construction and maintenance and, third, traffic engineering services. All of the other standards are the responsibility of NHTSA.

In making this assignment of authority, Congress made those standards which are directly related to the roadway and engineering decisions related to roads responsibility of FHWA. We believe that this was a wise decision. An extremely comprehensive engineering expertise required to properly administer these standards can only be found within FHWA.

We see no need to alter a program that is working so well. The annual authorization level of the 3½ standards administered by the FHWA is $10 million. ARTBA opposes any legislative proposal which would diminish the role of FHWA in highway safety and commingle these funds with all of the other section 402 moneys.

The Surface Transportation Assistance Act of 1982 contains a provision extending the longstanding prohibition on the use of prison labor on federally aided projects to include a prohibition on the use of prison-made materials. This new provision was arbitrarily repealed, however, by the fiscal year 1984 Commerce, State, Justice, and Judiciary Appropriations Act. ARTBA strongly objected to this repeal both on procedural and substantive grounds, but to no avail. This provision is obviously beyond the scope of the appropriations process. It was enacted last year without any referral to the appropriate public works committees with a jurisdiction over highway construction.

ARTBA submits that the Federal-aid highway program should rely on the free enterprise system for the procurement of materials to the fullest extent possible. The economic analysis of payment strategies based on life cycle costs provides for the lowest annual road cost at the highest performance level. We believe that Federal laws should encourage life cycle costing.

In this regard, we suggest the following language as an appropriate amendment to title 23, United States Code:

> An economic analysis, based upon life-cycle costs, should be made for each Federal aid project involving initial construction and/or 4R pavement work. The life-cycle procedures should be approved by the Secretary of Transportation. A clear-cut analysis for each project should be submitted along with the plans, specifications and estimate.

ARTBA is concerned that the statutory bridge formula which governs permissible axle spacing on heavy vehicles is badly outdated. This is certainly true with respect to bridges on the Interstate System. Current stringent enforcement of the bridge formula in several States is unnecessarily restricting the use of interstate bridges by certain types of vehicles which must now travel with partial loads.

The Federal Highway Administration is planning to conduct a study of this problem which hopefully will lead to a legislative recommendation. Unfortunately, the FHWA study will not be completed in time to lead to a legislative solution this year. Therefore, arrangements should be made at this time with FHWA to defer, restrict application and implementation of bridge formula limitations pending the outcome of the proposed study.

We are increasingly concerned by significant loss of highway trust fund revenues resulting from the rapid growth and the sale of gasohol. Gasohol is currently exempt from 5 cents of the 9-cent-per-gallon Federal highway user charge in motor fuel. The 5-cent differential, coupled with exemptions of various amounts at the State level make it possible to market gasohol at a price slightly below the price of regular unleaded gasoline. The rationale for the gasohol tax exemption is at best a very questionable one. It is based principally on the belief that the manufacturer of motor fuel from farm products, principally corn, results in the conservation of petroleum. Even supposing for the sake of argument that this is the case, it should not be supported at the expense of the highway user.

In conclusion, Mr. Chairman, ARTBA is highly pleased by the development of the highway program through the implementation of the Surface Transportation Assistance Act of 1982. We must maintain the momentum that has been generated by this legislation. We very much appreciate this opportunity to present the views of the American Road and Transportation Builders Association. Thank you.

Senator BURDICK. Thank you. Mr. Hanson, do you have a word?

Mr. HANSON. No, Senator, I would just like to call attention to a couple of the charts and the map we put in the testimony which relates to the enormous need for the bridge program and also a map on the last page that shows how close we are getting to closing those gaps on the Interstate System. We certainly hope that program can be expedited so we can then move our attention to an expanded bridge program and increasing funding for the 4R proqram. Thank you, Senator.

Senator BURDICK. If you look at the history of the interstate program, and this comes from the mouths of most, if not all, the highway administrators we have had over the years, that the primary reasons for building the Interstate Highway System was for defense. It is a quick way to move our vehicles across the country in case of conflict. Each administrator impressed upon the various States that should be a primary concern of theirs in their State and that, if possible, they should proceed with the interstate and not with their primary, secondary, and country roads. I see that some of these States took that seriously and they moved with dispatch to complete the interstate.

North Dakota is one of those States, one of the first two or three to complete their system. While they were completing that system, and while they were obeying the requests of the highway administrators, they were neglecting other roads and so they put all their, so to speak, eggs in the interstate basket to get it done. And so the equalizer was that when you have finished your highway work ahead of others that you use some of that money to the improvement of the A and B roads and other functions of the State that were neglected during that period, and that is what many of us did.

Now to say to those States who went ahead with the idea of completing this system for the country to be now penalized I don't think is fair. Just plain fairness. That is where the one-half of 1 percent comes in. That was the equalizer for those who hurried along with the program. I just can't see how it is fair to take that money away from them to catch up with the other road system that they neglected.

Mr. HANSON. For the record, Senator, you and South Dakota, Rhode Island, Vermont, Wyoming, Nebraska, Delaware, Arkansas, and Alaska, which has no interstate system, are the nine that come out with a zero, and there are 10 more States that are at that level that they would only receive something less than one-half of 1 percent.

So you have a total of 19 States in that category right now.

Senator BURDICK. Wouldn't it be basic unfairness to say you are through?

Mr. HANSON. Yes, sir.

Senator BURDICK. Do you have questions?

Senator RANDOLPH. Yes. You brought an additional number of States with a small percentage. For the record. will you name those?

Mr. HANSON. Senator, they include the District of Columbia, Indiana, Iowa, Maine, Mississippi, Montana, New Hampshire, Nevada, New Mexico, and Wisconsin.

Senator RANDOLPH. How many is that?

Mr. HANSON. Nine that have zero because they are finished, including Alaska, and 10 that has less than one-half of 1 percent for a total of 19.

Senator RANDOLPH. Mr. Caywood, you, of course, believe that Congress, Members from all these States, should give full obligation ceiling for this program; is that correct?

Mr. CAYWOOD. Yes, Senator.

Senator RANDOLPH. With the Finance Committee Members currently examining revenue to the highway trust fund, I cannot be certain we will have sufficient moneys to fund the request that you make. Can you understand that problem that we are in at the present time?

Mr. CAYWOOD. Yes, sir.

Senator RANDOLPH. It is a problem, but we are trying to be on top of this subject matter as it approaches the decision process. I wonder if you have looked into the issue and made the views of the road construction industry known to the Members of our tax-writing committee?

Mr. HANSON. Senator, we have not submitted a statement or testified before that committee this year. We have on previous occasions.

Senator RANDOLPH. Don't you think, Mr. Hanson, that this would be a suggestion that I make that possibly you would want to pursue?

Mr. HANSON. We will follow that suggestion forthwith.

Senator RANDOLPH. I believe it is timely and perhaps even very necessary.

Mr. HANSON. We are very concerned about that gasohol exemption and others.

Senator RANDOLPH. Yes, I know what you mean. Dan, you have been with American Road Builders Association and then the American Road and Transportation Builders Association for how many years?

Mr. HANSON. Over 16 years, Senator.

Senator RANDOLPH. Have you found that it is more difficult to secure the necessary dollars for the high cost of construction as each year comes and goes?

Mr. HANSON. There is no question about that. In retrospect, when we were talking about that nickel a few years ago and it finally came into fruition on the first of April, there are those who said you should have gone for a dime and they probably are more correct. I think the nickel is hopefully going to have a very fine impact on the construction season that is left this year, but it is obvious, as we go down the road, certainly by 1986, we are going to be in financial trouble once again.

There is one bright light, and it is the fact there is currently a $9.34 billion checkbook balance in the highway trust fund, and we would encourage appropriate action be taken that it can be by keeping those levels of authorization equal to the obligation ceiling, and vice versa. We haven't always done that.

Senator RANDOLPH. Whose fault is that?

Mr. HANSON. It usually comes up from the administration as a recommendation to scale it down a little bit in the interest of hopefully balancing the budget. It isn't this committee. This committee has authorized the program at an excellent level. That has been a procedure, as you know, for years and years. We believe very strongly that the obligation level ought to be equal to the authorization level.

There is one other point Mr. Caywood mentioned in his testimony. There is a sleeper in this year's proposal about the fiscal year 1985 funding. We are talking about a level that sounds awfully good, $13.875 billion, but included in that for the first time is the money that is used to make every State whole or 85 percent. That is estimated to be in excess of $700 million this year. They are going to take that out of the ceiling under the proposal that DOT's made.

We don't agree with that, and I know your committee did not agree with it when you passed the Surface Transportation Assistance Act, and we hope that money would be made available, certainly, but it would be above and beyond the ceiling for the obligation of the program.

Senator RANDOLPH. What you say certainly is true. We, of course, have acted here to make a recommendation of the type you have discussed to the Budget Committee. You are sure of that.

Mr. HANSON. Yes, sir. Thank you.

Senator RANDOLPH. Yet there is the interlocking committee structure, but I have a feeling, Senator Burdick, that there is a little more favorable feeling in the Senate, perhaps in the House, about the importance of our highway program than there was a year or so ago. Maybe I am wrong about that.

Senator BURDICK. I think you are right.

Senator RANDOLPH. I just believe there is an increasing interest as these Members, of whatever committees, know the value of the interstate defense highway system, including, of course, the bridges of this country. How many contractors are there now, Mr. Hanson?

Mr. HANSON. There are about 7,000 contractors in the transportation construction industry, and some are doing very poorly and still are and hopefully will pick up this year. They have had about three disastrous years in the industry, and the people that supply the equipment and the materials for the jobs, also. They have had 3 very lean years.

Senator RANDOLPH. I am conscious of that fact and that is the reason I am asking the question because you have got to have a force in readiness, haven't you, to move? You can't throw it into high gear overnight, can you?

Mr. HANSON. No, sir.

Senator RANDOLPH. You have to keep those people working and on the job and not jumping from here to there and then, say, sitting quietly for months and unable to move.

I thank you for your testimony, Mr. Caywood and Mr. Hanson.

Senator BURDICK. Our next witness will be Mr. Peter Koltnow, president of the Highway Users Federation. Welcome to the committee.

## STATEMENT OF PETER G. KOLTNOW, PRESIDENT, HIGHWAY USERS FEDERATION

Mr. KOLTNOW. Good morning, Senator Burdick. For the record, I am Peter Koltnow, president, Highway Users Federation. With the Chair's permission, I would like to submit our written testimony and make a brief statement.

Senator BURDICK. It will be received in full.

Mr. KOLTNOW. I would like to cover three main points, Mr. Chairman. The first of these has to do with the impact of the delay in approving the interstate cost estimate. This has been damaging not only to the orderly progress of the interstate highway program, but it has been damaging to the body of public support, especially organized highway user support, for the highway program.

We think it is time that the Congress takes steps to smooth out the last stages of the interstate highway program. Perhaps the most important thing that might be done is, as soon as possible, to approve a final interstate cost estimate and make further adjustments administratively to drop the biennial requirement for cost estimate approval by the Congress.

We think this would go a long way toward making the last few years of the interstate highway program a smooth and an expeditious one. There are several other recommendations related to that we think also would speed up the completion of the Interstate: phasing out of the half-percent minimum apportionment and increasing interstate discretionary funding as incentives to complete the interstate in their States.

Because the delay in the interstate cost estimate has affected the ability of the States and the contractors to fully utilize obligation limits in 1984, we hope Congress will make adjustments in obligation limits in 1985 and 1986 as necessary to allow the program to move forward at a more expeditious rate so that the deadlines that are in the law can be met and not be affected by the delays that have taken place so far.

The second point I want to touch on has to do with the need to review and reaffirm or alter the basic approach to the Federal-aid highway program. It has been so successful for so long. The heart of this approach, of course, has been the funding of a limited system of highways of national importance, roads that mean the most to the transportation of the United States.

The Federal-aid system is 20 percent of the miles in the country and carries 80 percent of the traffic. We think they deserve the fullest attention from the Federal level.

We see three problems related to this area. The first has to do with the pressure for projects of predominantly local interest. There is simply a limit to the amount of Federal-aid available to the States. We feel that to the greatest extent possible, funding ought to go to systems of national importance rather than to specific projects unless those have been advanced as part of the systems work by the States themselves.

Second, there is a concern over pressures to utilize Federal-aid highway money off the Federal-aid highway system. Once again, we are dealing with a finite amount of money and our feeling is that it should be concentrated on the systems of greatest importance. While the needs off the Federal highway system are important, critical in many cases, they are, as a matter of fact, predominantly the responsibility of the State and local governments.

Finally, we are keenly conscious that the long-held principle of user charge financing, which was initiated at the State level back in 1919 and adopted by the Federal Government a quarter of a century ago, has been eroded by at least one of the provisions of the Surface Transportation Assistance Act of 1982, and we hope some adjustments can be made to overcome some of this backsliding in the devotion to the user charge principle.

For example, we would like to see the existing section of the law that permits the use of urban funds for transit phased out or eliminated since there is now assured funding for the transit system. We would like to see the so-called transit penny, $1 billion-plus out of the highway user fund available for transit, be specifically made available for transit-related highway work. There are a number of kinds of highway programs that can be of assistance to transit. We would like to see the funds made available for highway work as well as for transit work.

Finally, Mr. Chairman, we think it is not too soon for the Congress to begin to look ahead to the long-term needs of the Federal-aid highway program in what some have called the post-Interstate period. The Surface Transportation Assistance Act of 1982 was basically a finish-up and fix-up highway program to complete the work of the interstate highway system and to make rehabilitation move forward more rapidly on both the interstate and the other Federal-aid highway systems.

In effect, we are dealing with a 40-year-old strategy. The interstate system was put into law in 1944. We are beginning to see from census and other pieces of legislation that changes are taking place. New living patterns and working patterns around the United States needs to be addressed by a forward looking Federal highway program.

We believe history has shown that the Congress has been prominent in looking ahead at emerging highway problems and highway needs and in looking at needs in other areas of transportation as well. We believe that over the next few years we have an opportunity to get a better handle on the changes that are taking place so that the future Federal-aid highway program can begin to show some new directions and meet some of the new realities of population and employment development around the United States. We hope that the Congress can devote some of its time to looking ahead as well as looking at the current needs.

Thank you, Mr. Chairman.

Senator BURDICK. Thank you very much. Did you hear the questions I put to the previous witnesses? Were you in the hearing room?

Mr. KOLTNOW. Yes, I did, Senator.

Senator BURDICK. You heard my questions about the one-half of 1 percent guaranteed to the States for interstate construction?

Mr. KOLTNOW. Yes, I did.

Senator BURDICK. Do you think it is fair to deny a State its fair allocation on a promise that was made many years ago, to now take the fund away from them? Do you think that is fair?

Mr. KOLTNOW. Senator, we have always felt that the original approach of the Interstate System made a lot of sense, and that is the apportionment of funds to each State to build and complete an Interstate Highway System. To the extent more and more States reach the stage of completion, such as North Dakota has, that will reduce the amount of funds available throughout the rest of the United States to complete that system for the benefit of all the citizens of the country.

I understand the point that you are making, and I am sympathetic to it. It seems to us that basic principle of completion of the Interstate System at the earliest possible time is really the cardinal principle here.

Senator BURDICK. I think there is a cardinal principle to being fair. Because now under this suggestion of yours, you are going to reward the laggard and penalize the one who took the matter in his own hands, believed what they said about building highways for this country and now they are going to be penalized. Is that fair?

Mr. KOLTNOW. Senator, it seems to me that the States that have moved most rapidly to complete the Interstate Highway System have in a sense been smart enough to make an early investment that gives them the benefits of the system early. As a matter of fact, they have been able to build that system more cheaply than those who have moved more slowly.

I don't know what is fair and unfair. I do know that we set a national goal in 1956 that the Nation supported: to build an integrated system of highways. It was expected that would be done a long time ago. Unfortunately, here we are well beyond the original deadline, we think that the priority, given unlimited funds, is to move ahead and complete that system as early as possible.

Senator BURDICK. You say we gained because the costs were lower at that time. That is also true of the primary and secondary roads. We could have built a great deal of primary and secondary roads when the cost was cheaper, too. We took this challenge seriously and went ahead. We could have built all through my State. Ours has large acres and large territories to cover with roads. We could have used that money to build an A road or B road or primary road, whatever you want to call them, and just kept pace with the rest of the Nation. We wouldn't have lost a dime that way. This way the rug is pulled out because we went ahead and finished; is that what it amounts to?

Mr. KOLTNOW. I understand your point, it does seem to us that we did set a national goal and one could say it might not have been fair for half of the States to put more money into the trust fund than they got out. But it was in the interest of the national goal. I think most of the so-called donor States understood that and accepted that, not as something fair or unfair but something important to a national purpose.

Senator BURDICK. Well, we established the rules back in 1944, and I think we ought to play by the rules and carry out our commitments. That is the way I feel. We disagree on that point.

Mr. KOLTNOW. Senator, if there were any ways to get the interstate built fast, we would love to see this. All of these steps are to some degree compromising.

Senator BURDICK. Thank you. Our next witness will be Dr. Gerald Donaldson, Center for Auto Safety.

## STATEMENT OF GERALD DONALDSON, CENTER FOR AUTO SAFETY, ACCOMPANIED BY KATHERINE HALL

Mr. DONALDSON. Thank you, Mr. Chairman. In accordance with committee procedure, I will present brief summarizing remarks of our views. Our written testimony is lengthy and it has already been submitted to you for inclusion in the record of these hearings.

My name is Gerald Donaldson. I work in highway safety at the Center for Auto Safety here in Washington, D.C. I am accompanied by Katherine Hall who is also at the center.

The center is a membership, not-for-profit, public interest/consumer advocacy organization founded 15 years ago by Ralph Nader and Consumers Union. We are dedicated to reducing our national highway losses due to unnecessary vehicle and road defects.

Mr. Chairman, our national highway accident losses of lives and property is a constant tragic reminder that our system of roads and bridges, even in 1984, is, in the main, of substandard design, replete with hazardous features and conditions, and reflecting a history of poor policy choices. In particular, our national bridge maintenance, restoration, and replacement problems are of the most staggering proportions. Per surface mile of travel, bridges by far have the highest accident and fatality rates on our Nation's network of roads. Our annual losses of lives hovers around a reported 900 dead and there is little doubt that this figure represents severe underreporting of the real bridge-related accident picture in the United States. These bridge accidents are perpetuated and even sanctioned by our present national bridge repair effort pursuant to 23 United States Code, sections 116 and 144. Design deficient bridges and their substandard approach roadways are often restored and rehabilitated with Federal matching funds without appropriate upgrading of the overall roadway/bridge design.

Moreover, routine maintenance on our Federal-aid bridges is not performed adequately or in a timely manner. The center's review of fiscal year maintenance reports over the past 3 years shows a clear pattern of abuse by many States which are repeatedly cited by division administrators for their basic shortcomings and basic bridge maintenance programs. But this is only one of the inadequate facets of the Federal management of the States' maintenance requirements.

Even more disturbing is the tendency for the FHWA to look the other way when deterioration continues on the States' bridges that were constructed with Federal aid, deterioration which should have been caught early on by vigorous Federal management and oversight of the States' maintenance programs.

In a report to Congress in 1981, the General Accounting Office asserted this:

> Federal legislation and FHWA maintenance policies need to be strengthened to help ensure that the nation's highways are preserved. However, FHWA has misinterpreted its responsibilities for requiring timely preventive maintenance. It has interpreted the law as authorizing sanctions only when highways become unsafe or unserviceable rather than for failure to perform routine preventive maintenance on a continuous basis.

The GAO also found in the course of these investigations that the FHWA had long ago resolved not to apply Federal sanctions until a road or a bridge becomes completely unsafe or unserviceable. And the net effect of this unwritten agency policy, Mr. Chairman, is Federal approval of a systematic deferral of the States' maintenance responsibilities under 26 U.S.C. 116, thereby guaranteeing that the States will be able to qualify for Federal moneys under various road and bridge construction and rehabilitation programs at much higher Federal costs.

In addition, our research over the past 2 years revealed the proportions of noncompliance with congressional intent governing even the most basic features of a national bridge improvement program. These essentially are:

Completion of both on- and off-system inventories of the Nation's bridges in accordance with regulatory criteria of 23 Code of Federal Regulations, part 650, and the proper appraisal and reporting on a 2-year cycle of inspection of the condition of each bridge that qualifies for Federal funding. The proper appraisal and inventory of the Nation's bridges further comprises the use of qualified bridge inspection personnel and the rating of a bridge in terms of, generally speaking, its structural integrity and functional adequacy.

However, we have found that as of last summer, the off-system initial inventory of the Nation's non-Federal-aid bridges is still not complete. This is true in many States.

Similarly, many States still are unable to abide by the 2-year cycle of reinspection established by FHWA pursuant to 23 U.S.C., section 116, subsection (d). And with regard to bridge inspection personnel, the center has found a number of States, counties, and cities are using unqualified bridge inspectors for these bridges. Also, when bridges need to be posted for lower weights, Mr. Chairman, it often either is not done or the postings of lower weights or more restricted use are removed.

Last, the Federal management guidance on how to judge the condition of a bridge and criteria for assigning weight to the various categories of deficiencies are too strongly biased toward maintaining structural integrity and, thereby, underrate traffic safety defects. Too often do we see States attempting unwisely to stretch dollars for structural repairs in a manner which underwrites continuing high accident losses on their bridges. A survey of State practices pursuant to their bridge sufficiency ratings demonstrates that very few bridges are ever reconstructed only in order to ameliorate serious accident experience.

Our national bridge program, therefore, requires corrective legislation, first, to insure that the States observe their maintenance, inventory, personnel qualifications, and inspection responsibilities under current Federal law and regulation, and, second, to place operating safety on equal terms with structural rehabilitation.

Thank you, Mr. Chairman.

Senator **Burdick**. Thank for your testimony this morning. You have touched upon something that we all are quite aware of. I think the Highway Administration is trying to correct the situation, not in one fell swoop. They tell me to correct all the bridges at the present time in one fell swoop, as I say, would be about a $50 billion deal. And so realizing this problem, the Congress in its wisdom put on a 5-cent gas tax. Do you have any suggestion of how to raise other monies other than that to do the job?

Mr. **Donaldson**. We think there are possibilities for other fund raising, but essentially, Mr. Chairman, what we are arguing for now is a reallocation of priorities to using existing funds, such as the funds that were provided pursuant to the 1982 STAA. So there is a great deal more emphasis on operating safety on bridges. As I indicated in my written testimony, one of the important facts I think all of us need to realize is that catastrophic bridge collapse is a very tragic occurrence, but it is only taking about 12 deaths a year in this country. Although we recognize the need for structural adequacy of bridges in this country, we are concerned with the thousands of people who die on the bridges which do not fall down.

Senator **Burdick**. We are concerned, too. You say reallocate the highway money?

Mr. **Donaldson**. We think the program now is overemphasizing structural rehabilitation to the detriment of also rehabilitating the basic design of bridge roadways. In that way, we would generally have the same views about the need to rebalance the sufficiency or appraisal approach of the Federal Highway Administration toward bridge safety in the way that perhaps Senator Sasser and even Senator Bumpers advocated this morning.

Senator **Burdick**. It is a $50 billion job right now and all we have is a 5-cent gas tax. Do you have any other financial arrangements to suggest?

Mr. **Donaldson**. No, we do not, but that is not the argument.

Ms. **Hall**. Senator, I have something I would like to add. That is to emphasize a lot of the reason why we have 50 billion dollars' worth of bridge repair that needs to be done at the current time is because the Federal Highway Administration has not been as vigorous as it might have been in encouraging the States to adequately maintain their roads and bridges all along, year by year. What that causes is that a bridge is allowed to deteriorate to a point where it is going to take much more expensive rehabilitation work than it would have taken if the States had spent a penny earlier on to take care of it.

Senator BURDICK. That is not the question. We have the problem, do you have any suggestion other than this highway bill?

Mr. DONALDSON. Yes; we can give you a specific response.

Senator BURDICK. You haven't provided me any more money with your suggestion.

Mr. DONALDSON. Our specific response is that many of the bridges which are being rehabilitated to an antiquated design which prevailed 50 years ago, more of that money be put into bridge surface improvements.

Senator BURDICK. I am going to ask you once more, do you have any suggestion on how to finance other than the 5-cent gas tax to do the job?

Mr. DONALDSON. No; we do not.

Senator BURDICK. We have a problem; we agree with that, but how do we do it? Thank you. Mr. Gary Winn.

## STATEMENT OF GARY WINN, MANAGER, LEGISLATIVE AFFAIRS, AMERICAN MOTORCYCLIST ASSOCIATION

Mr. WINN. Thank you, Chairman Burdick. My name is Gary Winn, and I have abbreviated my remarks this morning and ask that the full text appear in the record.

Mr. WINN. The American Motorcyclist Association is composed of 135,000 members nationwide who use motorcycles in daily transportation and recreation. The AMA is dues supported and is celebrating its 60th anniversary this year. We appear before the subcommittee on behalf of AMA members regarding the implementation of the Surface Transportation Assistance Act and specifically a small portion of that bill, section 167.

Section 167 was written to open carpool lanes to motorcycle operators as a safety and fuel conservation measure, but with the exception of Washington State, there has been no move to permit motorcycles access to federally supported carpool lanes.

Carpool lanes were conceived of necessity in the early 1970's during the period of high activity in interstate construction. Carpool lanes were constructed in high density traffic areas to alleviate congestion and encourage fuel efficient transportation alternatives. At that time, the fuel efficiency of motorcycles was probably overlooked and plans for carpool lanes were made without considering them.

In 1970, there were only 2.78 million motorcycles registered in the country, whereas in 1982, a little over a decade later, there wre 5.78 million registered.

Today the fuel conservation aspects of motorcycle use can't be overlooked. The only more efficient method of urban transportation is an innercity bus. Motorcycles are more efficient than even trains and air carriers.

There is another important aspect of motorcycles using carpool lanes, and that is an improvement in safety. The AMA feels strongly that if motorcyclists can be relatively isolated in high-density traffic where lane changing is minimized and speeds are maintained, their safety will be improved. The National Highway Traffic Safety Administration apparently also felt this way when AMA queried that agency in early 1982.

Associate Administrator for Traffic Safety Programs, Charles Livingston, said, "Use of such lanes probably would improve the safety of motorcyclists somewhat." Both AMA and NHTSA feel improved safety is possible and it should be incumbent upon detractors to prove otherwise.

AMA appeals to this subcommittee for assistance in opening carpool lanes to motorcycle operators, because a year and a half after enactment of the STAA, only one State, Washington State, has made any attempt to comply with the spirit of the law. Washington State's chief traffic engineer, Wayne Gruen, reports to the AMA that they have experienced no ill-effects, no accidents and no fatalities after incorporating motorcycles into that State's carpool lanes. This is a real life experience, and we think it is positive.

The Senate made clear its intentions in section 167 of the STAA to open these lanes. Yet, excepting Washington, all others in the 14 remaining locations have taken no action to open these lanes to motorcyclists. We think there are three possible reasons.

First, the FHWA has not assumed much of a leadership role in the implementation of section 167. This has led to confusion and piecemeal efforts at the State level, the exact problem we faced before section 167 became law. FHWA has not developed rules or regulations to guide State highway administrators on how to add motorcycle operators to carpool lanes, and as a result, the States are doing what they please. This, we think, would be easily corrected by FHWA taking a leadership role and seeing how best to include motorcycles, not now to let States opt out.

Second, some States are certifying against motorcycle use with questionable studies, that predict a safety problem instead of a safety benefit to motorcycle riders. Texas provided one of the studies we reviewed. On its contraflow lanes in Houston, it required auto driver qualification to use carpool lanes. This includes driver testing, vehicle inspection and vehicle insurance tests, all before drivers can use the lanes. In justifying that motorcycle operators were unsuitable contraflow lane users, Texas merely assumed that it couldn't certify motorcycle operators because it had no suitable testing provisions. Yet in its licensing procedures, Texas requires motorcycle riders to successfully complete not only the automobile skills test but a separate motorcycle knowledge and skill test, including an in-traffic portion. In spite of this, FHWA granted Texas an exemption on the I-45 contraflow carpool lanes.

To date, in all cases where a State has certified a safety problem with FHWA, it has only anticipated some sort of safety hazard before the fact, without at least trying to incorporate motorcycle use. In each case, without checking, FHWA has granted exemption. These safety contentions are not even based not on a short-term trial demonstration allowing motorcycles in carpool lanes, but are based on conjecture.

Third, some States have applied a future funding obligation criteria and have certified against motorcycle use by showing carpool lanes now in use don't apply to section 167. They contend that only construction funds obligated in the future apply to section 167, and since most such highways are already constructed, they have written off motorcycle use of carpool lanes entirely, again without even considering a demonstration project.

Again, FHWA was willing to issue an exemption.

We don't think Congress had this in mind when section 167 was enacted. We believe the Congress was sufficiently interested in fuel conservation and motorcycle safety that it wrote and adopted this language, anticipating that states would cooperate. Yet, we are experiencing a tangible reluctance by FHWA to act on the spirit and intent of the legislation, which has resulted in an almost complete absence of implementation of this section.

We would like to respectfully request this subcommittee consider three things to begin remedial action.

We would like to ask the assistance of FHWA in drafting specific rules that govern implementation of this section and to establish criteria for the required safety evaluations.

Second, we would like to see each State participate in a trial demonstration of motorcycle use before FHWA grants or certifies against motorcycle use. This is a compromise and we think it is a workable one.

Finally, we would like to see the subcommittee ask FHWA to report back in a year on progress made toward achieving 100-percent compliance with this section. We are confident that resolving the issue will result in both improved fuel conservation and safety for the Nation's growing population of highway motorcyclists. Thank you very much.

Senator **Burdick**. Thank you very much. The committee will be in recess until Thursday at 9:20 in the morning.

[Whereupon, at 11:36 a.m., the subcommittee was recessed to reconvene 9:30 a.m., March 22, 1984.]

[Statements and other material supplied for the record follow:]

# TESTIMONY OF SENATOR GORDON J. HUMPHREY
# BEFORE THE SUBCOMMITTEE ON TRANSPORTATION
# SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
MARCH 20, 1984

MR. CHAIRMAN, IN RECENT TESTIMONY BEFORE THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE, REPRESENTATIVES OF THE TRAFFIC CONTROL INDUSTRY TESTIFIED THAT THE PRESENCE OF PRISON INDUSTRIES IN THE SIGN-MAKING MARKET IS DETRIMENTAL TO THEIR BUSINESS. IT WAS ALLEGED THAT THE RECENT REPEAL OF THE SURFACE TRANSPORTATION ACT'S PROHIBITION ON THE USE OF PRISON-MADE MATERIALS ON FEDERAL HIGHWAYS AND THE RESUMPTION OF PRISON SIGN SHOP OPERATIONS WOULD RESULT IN LOST JOBS AND AN OVERALL DEPRESSION IN THE PRIVATE SIGN-MAKING MARKET. MR. CHAIRMAN, I MUST DISAGREE WITH THESE CONTENTIONS.

THE PRESENCE OF CORRECTIONAL INDUSTRIES IN THE HIGHWAY SIGN MARKET IS NOT A NEW PHENOMENON. PRISON INDUSTRIES HAVE BEEN OPERATING IN 37 STATES FOR THE PAST 30 YEARS. MORE IMPORTANTLY, PRISON INDUSTRIES DO NOT DOMINATE THE HIGHWAY PRODUCT MARKET. ACCORDING TO THE CORRECTIONAL INDUSTRIES ASSOCIATION, THE ANNUAL NATIONAL SIGN MARKET IS ESTIMATED TO BE APPROXIMATELY $500 MILLION. WHILE HIGHWAY SIGNS ARE A SIGNIFICANT COMPONENT OF PRISON INDUSTRIES OUTPUT, THEIR ANNUAL SALES TOTAL ONLY APPROXIMATELY $19.5 MILLION-- A MARKET SHARE OF ONLY 4%.

THE TRAFFIC CONTROL INDUSTRY'S OPPOSITION TO PRISON-MADE GOODS ALSO IGNORES THE IMPORTANT ROLE OF PRISON

INDUSTRIES IN REHABILITATING PRISONERS. THESE INDUSTRIES ACCOMPLISH THE DUAL OBJECTIVE OF TRAINING INMATES IN GAINFUL OCCUPATIONS, WHILE CURTAILING THE ENORMOUS TAX BURDEN OF MAINTAINING PRISON SYSTEMS IN THIS COUNTRY. AMERICAN TAXPAYERS SPEND APPROXIMATELY $17 MILLION EACH DAY TO HOUSE MORE THAN 400,000 PRISONERS IN STATE AND FEDERAL PRISONS. FURTHERMORE, CHIEF JUSTICE BURGER RECENTLY REAFFIRMED THE IMPORTANCE OF CORRECTIONAL INDUSTRIES IN HIS 1983 YEAR-END REPORT ON THE JUDICIARY WHEN HE WROTE, "A CORRECTIONAL SYSTEM THAT DEVELOPS GOOD WORK HABITS, FOSTERS VOCATIONAL TRAINING, REDUCES THE COST OF OPERATING PRISONS, AND ASSISTS PRISONERS IN PROVIDING FOR THEIR FAMILIES AND COMPENSATING VICTIMS, WILL BENEFIT THE ENTIRE COUNTRY. SUCH PRISONERS WILL LEAVE CONFINEMENT WITH A MARKETABLE SKILL THAT MAY KEEP THEM OUT OF CRIME."

MR. CHAIRMAN, PRISON INDUSTRIES PROVIDE PRISONERS WITH MEANINGFUL EMPLOYMENT IN A REALISTIC WORK ENVIRONMENT, THE AIM OF WHICH IS TO DEVELOP GOOD WORKING HABITS AND SKILLS THROUGH THE PRODUCTION OF A DIVERSIFIED LINE OF GOODS AT COMPETITIVE PRICES. THE IMPORTANCE OF THIS INDUSTRY MUST NOT BE MINIMIZED. I RESPECTFULLY URGE THE COMMITTEE TO RESIST ANY ATTEMPTS TO FURTHER LIMIT CORRECTIONAL INDUSTRY ACTIVITIES.

# TESTIMONY OF SENATOR GORDON J. HUMPHREY
# BEFORE THE SUBCOMMITTEE ON TRANSPORTATION
# SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
MARCH 20, 1984

MR. CHAIRMAN, THE PURPOSE OF MY TESTIMONY TODAY IS TO ENLIST YOUR SUPPORT, AND THOSE OF OUR DISTINGUISHED COLLEAGUES ON THE COMMITTEE, FOR AN AUTHORIZATION TO REPLACE THE NOTRE DAME BRIDGE LOCATED IN MANCHESTER, NEW HAMPSHIRE. THE BRIDGE HAS BEEN ASSIGNED A RATING FACTOR OF 4.93, WHICH IS AT THE VERY BOTTOM OF A SCORING SYSTEM WHOSE MAXIMUM PROGRAM ELIGIBILTY CRITERIA IS 100. SINCE ONE IS THE LOWEST SCORE POSSIBLE, IT IS OBVIOUS THAT THIS BRIDGE IS AT THE CRITICAL STAGE. I CAN NOT OVEREMPHASIZE THE URGENCY OF THIS REQUEST, AS I WAS INFORMED ONLY LAST FRIDAY THAT FLAKES OF CONCRETE, SOME EIGHT INCHES SQUARE, RAINED DOWN ON INTERSTATE-293 FROM THE UNDERSIDE OF THIS BRIDGE, PROMPTING STATE HIGHWAY OFFICIALS TO CLOSE ONE OF THE LANES AND BRINGING CITY CREWS RUSHING WITH FIRST AID. CITY HIGHWAY CREWS WORKING WITH THE HELP OF A FIRE DEPARTMENT CHERRY PICKER SUCCEEDED IN GETTING PLANKING IN PLACE, THUS PREVENTING MORE CONCRETE FROM ENDANGERING MOTORISTS TRAVELING UNDER THE BRIDGE. THIS INCIDENT UNDERSCORES THE STATE'S CONTENTION THAT THE BRIDGE HAS BECOME A SERIOUS SAFETY PROBLEM AND MUST BE ADDRESSED IMMEDIATELY.

THE NOTRE DAME BRIDGE WAS CONSTRUCTED IN 1937, WHEN THE

AVERAGE DAILY TRAFFIC WAS 4,000 CARS PER DAY. TODAY THE BRIDGE IS EXPERIENCING TRAFFIC VOLUMES AS HIGH AS 17,000 VEHICLES PER DAY, AND IN A FEW YEARS WILL SEE TRAFFIC VOLUMES AS HIGH AS 23,000 PER DAY. IN 1973 THE STRUCTURE WAS EVALUATED AND FOUND TO BE BOTH OUTMODED IN ITS DESIGN AND ENGINEERING AND DETERIORATED IN ITS CONDITION. A DECISION WAS MADE THEN TO POST IT FOR 15 TONS, THUS PROHIBITING LOADS WHICH ARE COMMONLY ACCEPTED ON THE REST OF THE FEDERAL AID SYSTEM. THE SPEED LIMIT WAS ALSO REDUCED FROM 35 MILES PER HOUR TO 20 MILES PER HOUR, AND AS OF THIS WEEKEND ALL TRUCK AND BUS TRAFFIC HAS BEEN REROUTED.

AGAIN IN 1973, BECAUSE OF THE ANTICIPATED 6 TO 8 YEAR TIME FRAME REQUIRED FOR THE REPLACEMENT PROCESS, THE CITY AND THE STATE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS AGREED THAT THE CITY WOULD IMMEDIATELY INVEST $1,000,000 OF ITS FUNDS TO EXTEND THE LIFE OF THE BRIDGE FROM 7 TO 10 YEARS. THIS WORK WAS COMPLETED IN 1974. THEY ALSO AGREED THAT, WITH FEDERAL ASSISTANCE, STEPS WOULD BE TAKEN TO CAUSE A NEW STRUCTURE TO BE COMPLETED WITHIN 8 YEARS. ON THIS BASIS, PRELIMINARY DESIGN, THE ENVIRONMENTAL IMPACT STATEMENT, AND RELATED PUBLIC HEARINGS BY THE GOVERNOR AND COUNCIL WERE COMPLETED BY 1981.

THE INFLATION OF CONSTRUCTION COSTS OVER THE YEARS HAS MADE IT IMPOSSIBLE FOR THE STATE TO COMMIT ITS FEDERAL BRIDGE REPLACEMENT FUNDS TO THIS PROJECT WITHOUT SEVERELY AFFECTING ITS OWN CRITICAL BRIDGE REPLACEMENT PROGRAM. THE STATE'S ANNUAL APPORTIONMENT OF HIGHWAY BRIDGE REPLACEMENT FUNDS IS ONLY $8.5

MILLION. THIS ONE PROJECT WILL REQUIRE $17 MILLION IN CONSTRUCTION FUNDS, AND THUS WOULD TAKE AT LEAST TWO YEARS OF THE STATE'S ALLOCATION UNDER THE PRESENT DISTRIBUTION FORMULA. AS A RESULT, WORK ON OTHER UNSAFE BRIDGES WOULD HAVE TO BE SEVERELY CURTAILED OR ELIMINATED ALTOGETHER IN ORDER TO ADDRESS THE NOTRE DAME BRIDGE. SUCH A SITUATION WOULD BE DETRIMENTAL TO HIGHWAY SAFETY IN OUR STATE.

TO DATE, THE ABSENCE OF A POSITIVE RESPONSE FROM THE FEDERAL HIGHWAY ADMINISTRATION TO PREVIOUS REQUESTS FOR DISCRETIONARY FUNDS FOR THE NOTRE DAME BRIDGE PROJECT LEAVES NEW HAMPSHIRE IN A DIFFICULT POSITION FROM WHICH TO TAKE FIRM STEPS IN ESTABLISHING DIRECTION FOR ITS OVERALL BRIDGE NEEDS.

SINCE 1974, THE CITY HAS EMBARKED ON AN AMBITIOUS ECONOMIC DEVELOPMENT PROGRAM, CONCENTRATING PARTICULARLY ON AN AREA BOUNDED ON THE NORTH BY THE PROPOSED NOTRE DAME BRIDGE RIGHT-OF-WAY. FOR NINE YEARS, THE OWNERS AND TENANTS OF PROPERTIES TO BE AFFECTED BY LAND ACQUISITION FOR THE PROJECT HAVE BEEN DISCOURAGED FROM UNDERTAKING MAJOR REPAIRS OR REHABILITATION TO, OR LEASES FOR, THEIR PROPERTY IN THE ANTICIPATION OF THE START OF THE PROJECT. AT THE SAME TIME, THE CITY HAS NOT BEEN ABLE TO MAKE NEEDED IMPROVEMENTS IN THE AREA BECAUSE OF THE DELAY IN BRIDGE CONSTRUCTION. HENCE, TODAY, IN THE MIDST OF MANCHESTER'S ECONOMIC REVIVAL, STANDS A DEPRESSED AND ECONOMICALLY STAGNANT AREA WAITING FOR THE BRIDGE TO HAPPEN.

OF EQUAL CONCERN IS THAT THE DELAY OF THE REPLACEMENT PROJECT IS JEOPARDIZING INVESTMENTS IN DOWNTOWN REVITALIZATION PROJECTS TOTALING APPROXIMATELY $140 MILLION. ONCE COMPLETED, THESE PROJECTS HAVE THE POTENTIAL TO CREATE AN ESTIMATED 4,000 ADDITIONAL JOBS. SOME OF THE MAJOR DEVELOPMENTS INCLUDE THE WALL STREET DEVELOPMENT PROJECT ($47.6 MILLION OFFICE-RESIDENTIAL-PARKING COMPLEX, THE FIRST PHASE OF WHICH IS COMPLETE); THE WASHINGTON STREET DEVELOPMENT PROJECT ($18.5 MILLION FINANCIAL HEADQUARTERS AND PARKING COMPLEX IN FINAL PLANNING); THE SEARS-FERRETTI PROJECT ($2.7 MILLION OFFICE REHABILITATION WILL BE COMPLETED IN FOUR MONTHS); THE BEDFORD BLOCK ($2.4 REHABILITATION RECENTLY COMPLETED); YMCA EXPANSION ($2.2 MILLION UNDER CONSTRUCTION); 540 NORTH COMMERCIAL STREET ($2.8 MILLION INDUSTRIAL REHABILITATION UNDER CONSTRUCTION); 1840 ASSOCIATES ($3 MILLION INDUSTRIAL REHABILITATION RECENTLY COMPLETED); A $19 MILLION COMMERCIAL AND INSTITUTIONAL DEVELOPMENT NOW IN PRELIMINARY PLANNING; AND A $10 MILLION RIVERFRONT PARK SYSTEM NOW UNDER CONSTRUCTION. THE NOTRE DAME BRIDGE REPLACEMENT WILL ALSO SERVE AS THE PRINCIPLE ACCESS TO CATHOLIC MEDICAL CENTER WHICH HAS, SINCE 1974, INVESTED OVER $35 MILLION IN BECOMING THE LARGEST NON-TEACHING HOSPITAL IN THE STATE. NOT FUNDING THIS VITAL BRIDGE REPLACEMENT WOULD BE GROSSLY UNFAIR TO THE CITY OF MANCHESTER AFTER THE CITY, IN GOOD FAITH, PAID FOR TEMPORARY BRIDGE REPAIRS AND WENT AHEAD WITH ITS DEVELOPMENT PLANS BASED ON ASSURANCES THAT THE BRIDGE WOULD BE REPLACED WITHIN TEN YEARS.

THE STATE OF NEW HAMPSHIRE IS COMMITTED TO FUND THE ENGINEERING AND NECESSARY RIGHT-OF-WAY THROUGH THE REGULAR FEDERAL AID PROGRAM THIS YEAR. THE COST OF THIS STAGE IS APPROXIMATELY $2.2 MILLION, AND IS OF COURSE FURTHER CONSTRAINING THE STATE'S ABILITY TO ADDRESS OTHER IMPORTANT BRIDGE REPLACEMENT AND REHABILITATION PROJECTS. THIS COMMITMENT DOES, HOWEVER, CLEARLY SHOW THE DEGREE OF NEW HAMPSHIRE'S CONCERN RELATIVE TO THIS ESSENTIAL EFFORT. IT IS ALSO IMPORTANT TO NOTE THAT THE STATE'S DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS IS READY TO COMMIT ITS ADMINISTRATIVE RESOURCES TO CONSTRUCTION OF THE PROJECT. FOR THE COMMITTEE'S REFERENCE, I HAVE BROUGHT WITH ME AN OUTLINE OF THE STATE'S TENTATIVE CONSTRUCTION SCHEDULE.

I SINCERELY HOPE THAT THE COMMITTEE HAS BEEN CONVINCED BY MY REMARKS OF THE COMPELLING URGENCY OF THE STATE'S REQUEST FOR APPROXIMATELY $17 MILLION IN CONSTRUCTION AUTHORIZATION. I HAVE PURSUED EVERY ADMINISTRATIVE REMEDY AVAILABLE TO MY OFFICE INCLUDING PERSONALLY APPEALING TO SECRETARY OF TRANSPORTATION, ELIZABETH DOLE, AND ADMINISTRATOR OF THE FEDERAL HIGHWAY ADMINISTRATION, RAY BARNHART. THEY BOTH AGREE THAT THE NOTRE DAME BRIDGE IS AN IMPORTANT PROJECT, BUT HAVE EXPLAINED THAT ALL OF THE $200 MILLION IN THE DISCRETIONARY BRIDGE PROGRAM HAS BEEN SPECIFICALLY EARMARKED FOR PREVIOUSLY AUTHORIZED PROJECTS. IN SECRETARY DOLE'S MOST RECENT LETTER TO ME ON THIS SUBJECT, SHE EXPLAINS THAT HER AGENCY HAS RECEIVED REQUESTS FOR ELIGIBLE CANDIDATES TOTALING $800 MILLION FOR FY84. SHE FURTHER STATES THAT IT IS POSSIBLE TO FUND ONLY A SMALL PORTION OF THE NEEDS

CONSIDERED AS ADDITIONAL FUNDING BECOMES AVAILABLE, BUT I FEAR THAT SUCH FUNDING WILL ARRIVE TOO LATE TO MEET THE URGENT AND CRITICAL NEEDS OF THE PROJECT.

I URGE THE COMMITTEE TO ACT EXPEDITIOUSLY TO APPROVE FUNDS FOR THE NOTRE DAME BRIDGE REPLACEMENT PROGRAM. THERE IS NO OTHER HIGHWAY BRIDGE PROJECT IN MY STATE THAT REPRESENTS SUCH A SERIOUS SAFETY PROBLEM. NOR IS THERE ANY FUNDING ALTERNATIVE OTHER THAN THE AUTHORITY OF THE COMMITTEE.

THANK YOU FOR YOUR ATTENTION AND CONSIDERATION.

## NOTRE DAME BRIDGE PROJECT

## ANTICIPATED SCHEDULE AND FUNDING NEEDS

| YEAR | ACTIVITY | COST (IN MILLIONS) | |
|---|---|---|---|
| FY 1984 | Start Right-of-Way | 1.2 | |
| | Start Engineering | 1.0 | 2.2 |
| FY 1985 | Right-of-Way | 0.6 | 6.7 |
| | Advertise East Bound Bridge - Summer 1985 | 6.1 | |
| FY 1986 | Right-of-Way | 0.6 | 1.1 |
| | Advertise Temporary Approaches - Fall 1985 | 0.5 | |
| FY 1987 | Right-of-Way | 0.6 | 0.6 |
| FY 1988 | Demolition - Existing Bridge | 0.8 | 2.7 |
| | Advertise Substructure - West Bound - Fall 1987 | 1.9 | |
| FY 1989 | Advertise Superstructure - Fall 1988 | 5.5 | 6.4 |
| | Advertise Permanent Approaches - Spring 1989 | 0.9 | |
| Completion - Fall 1990 | | | $19.7 |

# TESTIMONY OF SENATOR JIM SASSER

MARCH 20, 1984

Mr. Sasser,

Mr. Chairman, I appreciate having the opportunity to appear before this Committee to comment on the Highway Bridge Replacement and Rehabilitation Program. I would like to take this opportunity to thank the members of the Committee, especially the very able Ranking Minority Member, Mr. Randolph, for their continued interest in improving the quality of our nation's bridges.

In 1981, I introduced S. 1649, the National Bridge Improvement Act. Last year, I reintroduced identical legislation S. 1575. Structurally deficient and functionally obsolete bridges continue to be a growing national problem.

According to the General Accounting Office report that I ordered in 1981, 40 percent of our nation's 500,000 bridges were deficient. Today, almost half of our nation's bridges have deteriorated and are in need of repair.

Today, bridges are continuing to reach the end of their useful design life at an alarmingly accelerated pace. The Federal Highway Administration has estimated that "in 34 states, one in three bridges require substantial renewal."

Since 1981, the case for greater improvements in our nation's bridge program remains strong. For example, one of the critical findings of the recent Joint Economic Committee study, "Hard Choices: is that the projected highway and bridge needs through the year 2000 will approach $720 billion. Investment in our nation's highways and bridges was cited as the most dominant infrastructural priority of the future.

Indeed, the results of the "Hard Choice" study was particularly telling for my State of Tennessee. The study indicated that 54% of Tennessee's 16,867 bridges are in need of repair.

In 1981, there were over 6,000 deficient bridges in Tennessee. The Tennessee Department of Transportation estimated that the cost of repair for these deteriorating bridges would approach $1 billion.

Today, there are over 2,500 additional deficient bridges in Tennessee. According to the Joint Economic Comittee study, it will take an estimated $5.7 billion to correct the current bridge problem in Tennessee.

In light of the Joint Economic Committee Study, I believe that this Committee should carefully review the progress and shortfalls of the nation's bridge program.

There are two areas which I believe should receive special attention. First, this Committee should examine the need for legislation to improve funding apportionments under the expanded Highway Bridge Replacement and Rehabilitation Program. The Surface Transportation Assistance Act of 1978 expanded both the scope and funding of our nation's bridge program. Legislation necessary to adequately reflect the inclusion of deficient off-system bridges in the bridge program is needed.

Secondly, this Committee should determine whether changes in the bridge inspection standards are necessary to reflect the eligibility of off-system bridges for assistance under the replacement and rehabilitation program.

The level of federal assistance has always been a critical factor in our nation's bridge replacement and rehabilitation program. Since 1970, over $5 billion have been committed to this program.

Increased funding from the Surface Transportation Act, however, will not make a noticeable dent in this nation's bridge bill. Indeed, while additional monies are critical to essential repair, more money has not always meant safer bridges.

Critical decisions remain to be made regarding the prudent allocation of replacement and rehabilitation funds. Legislative action is necessary to insure that those bridges most in need of repair receive fair and equitable distributions of federal funds.

Improved safety on the over 500,000 bridges nationwide will depend, in large part, on thorough and timely bridge inspections.

Inspections of our nation's bridges is a highly technical task. There is little room for "on the job training".

Most states report that they have inspectors who meet the minimum requirements of 23 CFR Part 650.30. Under 23 CFR Part 650.30, standards for engineers may vary from state to state in accordance with the provisions of state law.

I believe that the highly technical nature of bridge inspections may require a national uniform qualification standard for inspectors. The increasing number of deficient bridges dictates that those responsible for inspections, reporting, and inventory requirements should be the best and most highly qualified engineers available.

I believe that some consideration should be given, as well, to insuring that the bridge sufficiency rating are adequate and accurate indicators of bridge repair needs.

For example, the Perkins Street Bridge, which collapsed in Memphis in 1981, had a sufficiency rating of 59. According to highway bridge replacement and rehabilitation standards, bridges coded from 50-80 are eligible for rehabilitation, while bridges rating less than 50 are eligible for both rehabilitation and replacement. The Perkins Street Bridge, in retrospect, should have received a lower sufficiency rating.

The three components of the sufficiency rating -- structural adequacy and safety, functional obsolescence and serviceability, and essentially for public use, do not always assure that the bridges most in need of repair do indeed receive priority ratings.

Structural adequacy and safety account for a maximum of 55% of the overall sufficiency rating. The factors considered under this component -- superstructure, substructure, culvert, and inventory rating, all relate to the ability of the bridge to hold up, that is, not collapse.

Bridge collapse, while a potential problem, is not the norm. It is estimated that 12 persons a year die in bridge accidents where there are structural deficiencies.

For purposes of the sufficiency rating, a bridge coded under the structural adequacy component which receives a condition code of 4 has a potential for major rehabilitation.

Yet, most of the motor vehicle deaths that occur on bridges, however, are not due to structural deficiencies. Rather, narrow, poorly aligned roadways having an insuffcent capacity to serve modern traffic demands account for most such deaths.

Motor vehicle related deaths are the principal type of accidental deaths in this country. In 1981, 51,800 persons died in motor vehicle accidents. It is estimated that between 1,800 and 3,000 fatalities occur each year on functionally obsolete bridges.

Functional obsolescence and serviceability comprise only 30% of the sufficiency rating. The factors included in this category, among others, are average daily traffic, approach roadway alignment, approach roadway width, and deck geometry.

These factors go hand in hand with auto safety. Yet, unlike the structural adequacy rating, a condition rating of 4 under functional obsolescence allows a bridge to remain in place.

Just recently, an incident occured on the Shute's Branch Bridge in Wilson County Tennessee which is relevant to the question of repairing functionally obsolete bridges.

The Shute's Branch Bridge, built in 1954, has a sufficiency rating in excess of 50. The bridge was designed for two lanes of traffic with an approach roadway of 16 feet, the minimum design standard of Tennessee at that time.

Within the past 10 years, traffic demands on the Shute's Branch Bridge have increased dramatically. As a consequence, in the early 1970's, Wilson County widened the approach roadway to 20 feet, but was unable to widen the bridge.

The Tennessee Department of Transportation estimates that today's average daily traffic on the Shute's Bridge is 5,137 vehicles per day. Minimum Tennessee Department of Transportation criteria now recommends that new bridges with an average daily traffic of 3,000 vehicles per day should include a 24 foot roadway width or an absolute minimum width of 40 feet.

Seven school buses cross the Shute's Branch Bridge four times daily. Recently, two of these school buses, crossing at the same time, sideswiped on another.

Safety is a major concern both where bridges are structurally deficient and functionally obsolete. In 1981, of the 200,000 deficient bridges nationwide 98,000 were structurally deficient, while the remaining 102,000 bridges were functionally obsolete. This Committee should make changes in the sufficiency rating to clarify the meaning of safety under both structural adequacy and functional obsolescence.

This Committee should also look into changes which strengthen controls to insure that structurally deficient bridges are actually posted and closed.

Most of the deficient bridges that should be posted or closed are on the off-system. In 1982, the Tennessee Department of Transportation estimated the 97% of its structurally deficient bridges were on the off-system.

The Committee should seek means to step up inspections of the off-system bridge inventory to insure that monies are adequately targeted to assist these structures.

Mr. Chairman, this Committee must continue to press for improvements in our bridge replacement and rehabilitation program. My legislation, S. 1575, represents a step in the right direction. I am confident that the Public Works Committee will move forward with a sound bridge repair program in order to insure the safety of drivers everywhere.

# TESTIMONY OF SENATOR DALE BUMPERS
# IN SUPPORT OF FUNDING FOR THE "WALDRON ROAD PROJECT"
# BEFORE THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
# MARCH 20, 1984

Mr. Chairman, I am delighted to appear before the Committee this morning to testify in support of a critically important highway construction project in Fort Smith, Arkansas. The project would improve Waldron Road from Euper Lane to Grand Avenue, and Grand Avenue from Waldron Road to Interstate 540. Specifically, the project would involve acquiring an eighty foot right-of-way along these major arterial roads, relocating families and businesses which are affected by the acquisition; relocating necessary utilities; widening Waldron Road and Grand Avenue to four, and in some places five, lanes; and installing necessary signalization. The total length of the improvements is some 2.03 miles. The cost to complete the project is $8.5 million.

Waldron Road is the major north-south route in the city. It serves a community college and a large shopping mall in the project area. At most times of the day, it is nearly impossible to enter the road from the shopping mall or the community college. In addition, two more shopping centers are under construction along the route, which will add to the congestion. Waldron Road also intersects Grand Avenue, which is connected to Interstate 540 by an interchange. Traffic entering and exiting Interstate 540 at Grand Avenue causes additional traffic problems in the area. The intersection of Waldron Road and Rogers Avenue, also known as Arkansas State Highway 22, is the most congested intersection in Fort Smith, and is one of the most congested in the State of Arkansas.

The following traffic and accident figures illustrate the magnitude of the problem:

Average Daily Traffic at the Intersection of Waldron road and Rogers Avenue

45,000 vehicles per day (1982)
70,000 vehicles per day (estimated year 2000 (Ark. Highway Dept. figure)

Three-Year Accident Figures (1980-1982)

179, a 27% increase over the previous period (City of Fort Smith Traffic Figure)

There are two important factors which contribute to the area's traffic congestion and safety problems. First, Rogers Avenue has the largest concentration of commercial development in the city. Stores and offices from the old downtown area of Fort Smith have largely relocated in the project area.

Secondly, Westark Community College, located north of Rogers Avenue at the intersection of Waldron Road and Grand Avenue, has experienced tremendous growth over the past five to ten years. Westark is a two-year college offering vocational education programs, university parallel programs, and community service enrollment programs. From 1975 to 1983 enrollment in the community services program increased from 500 to 12,000,or a phenomenal 2,300 percent. I think you can see why Waldron Road is so incredibly congested.

During the past five to ten years, very few improvements to Waldron Road have been made for lack of city funds. With the proposed improvements, it is fully anticipated that traffic congestion will be alleviated to a great extent.

PROJECT COSTS:

A feasibility study prepared by a civil engineering firm last year estimates the preliminary cost of completing the project as follows:

| | |
|---|---|
| Construction, including Widening, Signalization, Utility Relocation | $4,506,000 |
| Acquisition, Relocation, Demolition | $2,584,000 |
| Professional Servicers and Administration | $1,410,000 |
| TOTAL PROJECT COST | $8,500,000 |

I am submitting a copy of the study as an appendix to this testimony.

The City of Fort Smith is simply not eligible for sufficient funds under existing Department of Transportation programs to undertake this project. The project represents 20 to 30 percent of the entire city budget, and the City does not have the revenues to carry out its share of the cost. The City would be forced to use every penny of its Urban High Density funds for a period of five years to complete this project, and other important needs would go unmet. Nevertheless, the project is vital to the safety and economic well-being of the city and surrounding areas. The City of Fort Smith last June passed a resolution designating "Waldron Road" its top priority project. A copy of the resolution is attached.

The House of Representatives recognized the urgency of the problem when it authorized $8.5 million for the "Waldron Road Project" in H.R. 3103, the Surface Transportation Technical Amendments Act. The bill authorized the use of "Federal Aid Urban System Funds" for the project. Because the House and the Senate could not reach a compromise on this legislation, H.R. 3103 was shelved, and H.R. 4957 was passed in its place on March 2, 1984. An agreement was reached to prevent any amendments to the bill, and Senators were assured that another vehicle would be provided to accommodate their special concerns and projects. Therefore, I come before the Committee today to ask that $8.5 million in federal highway funds be provided for the "Waldron Road Project" when the next highway bill is drafted.

## THE USE OF BRIDGE REPLACEMENT FUNDS FOR FERRY REPLACEMENT

Mr. Chairman, I would also ask the Committee to reconsider its position with regard to the use of federal bridge replacement funds for ferry replacement. The Surface Transportation Assistance Act of 1982 greatly increased federal funding for bridge replacement and rehabilitation. In FY 1984 approximately $1.65 billion will be made available to the states for this purpose. This is an important program, Mr. Chairman, and my state is taking advantage of these federal funds to replace its worst bridges.

It is, however, my view and the opinion of state highway officials in my state that replacement of a hazardous and inadequate ferry is just as important as replacing a short, little used, narrow bridge on a secondary road. Arkansas has four state-run ferries that the Arkansas State Highway and Transportation Department would like to replace with bridges. The cost of operating these ferries in FY 1983 was $1,808,624. These are funds that the State of Arkansas can ill afford to spend, and yet the State cannot afford to replace the ferries with existing state revenues.

The ferries also cause traffic delays and pose safety hazards during periods of fog and high winds. It would, thus, make sense from both a safety and an economic standpoint to replace these ferries with bridges. The following table illustrates the cost of replacing the various ferries with bridges, the location of the ferries, and the amount of bridge replacement funds available to Arkansas through FY 1986.

| Ferry | Location | Cost of Replacement |
|---|---|---|
| 1. MORO BAY | Ouachita River - Highway 15, between El Dorado and Warren | $5.5 million |
| 2. SPRING BANK | Red River - Highway 160, between Doddridge and Bradley | $7.9 million |
| 3. GUION FERRY | White river - Highway 58, between Mountain View and Melbourne | $2.0 million |
| 4. PEEL FERRY | Bull Shoals Lake - Highway 125 | $29 million |

AVAILABLE BRIDGE REPLACEMENT FUNDS (ARKANSAS) FROM SECTION 144, TITLE 23, U.S.C.

| FY 1984 | FY 1985 | FY 1986 |
|---|---|---|
| $28.1 million | $30.1 million | $35.9 million |

Under the interpretation placed on Section 144, Title 23, U.S.C. by the Department of Transportation, federal bridge replacement funds cannot be used to build a bridge to replace a ferry. In my view, Congress should amend Section 144 to give states the option of utilizing part of their federal bridge replacement funds for ferry replacement. The following draft language is suggested:

Subsection (g) of Section 144 of title 213, United States Code, is amended by adding at the end thereof the following new subsection:

"(3) Notwithstanding any other provision of Section 144 of Title 23, United States Code, and any other provision of law, any State or States may, at their option, utilize any of the funds provided them to carry out this section for the construction of bridges to replace ferries, which ferries were in existence on January 1, 1983. The Federal share payable on account of any such highway bridge construction pursuant to this subsection shall be the same as provided for highway bridge replacement or rehabilitation."

I hope the Committee will give serious and favorable consideration to both the "Waldron Road Project" and the ferry replacement proposal, and I thank the Committee for its consideration. Attached as an appendix are maps and an engineering study of the "Waldron Road Project." If aerial photographs become available and I have asked that they be made, I would ask that the Committee allow them to be admitted as part of the record. Attached, the Committee will also find a map of the State of Arkansas on which the locations of the four ferries are marked.

# "WALDRON ROAD PROJECT"
Feasibility Study Prepared By

Max Holloway Engineering Co.
Muskogee, Oklahoma

July, 1983

# FACT SHEET
## Model Demonstration Program
## for Waldron Road Improvements
## Fort Smith, Arkansas

### PROJECT DESCRIPTION:

The proposed project consists of improving Waldron Road from Euper Avenue to Grand Avenue and thence east along Grand Avenue from Waldron Road to Interstate 540. Specifically, it is acquiring an eighty (80) foot right-of-way along these major arterial roads; relocating families and businesses which are encompassed by the acquisition; relocating necessary utilities; widening Waldron Road to a five-lane from Euper to Free Ferry Road and four laning from Free Ferry Road to Grand Avenue and from Waldron Road to Interstate 540 along Grand Avenue; and installing necessary signalization. The total length of the improvements is some 2.03 miles.

### PURPOSE:

This model demonstration project is to demonstrate how federal funds can assist in alleviating traffic congestion and improving the safety features of roads by widening streets and upgrading traffic signals. Also, it will demonstrate the usefullness of roads in promoting the economic growth and development of a city.

### JUSTIFICATION:

The intersection of Waldron Road and Rogers Avenue also known as Arkansas State Highway 22 is the most congested intersection in Fort Smith. The average daily traffic is estimated at 45,000 vehicles of which 15,000 are from Waldron Road traffic. With the proposed improvements, it is fully anticipated that traffic congestion will be alleviated a great deal -- both widening and timing of traffic signals will be the primary emphasis in this relief effort.

Safety is another major concern. Over the past three (3) years (1980-1982), intersection and non-intersection traffic accidents have amounted to 179 according to Fort Smith records. Intersection accidents have increased by a phenomenal 27 percent. Miraculously, none of these accidents have been fatal.

There are two important factors which contribute to this traffic congestion and safety hazard. First, Rogers Avenue has the largest build up of commercial businesses in Fort Smith which contribute heavily to the problem.

Secondly, Westark Community College, located north of Rogers Avenue at the intersection of Waldron Road and Grand Avenue has experienced a tremendous growth rate over the past 5 - 10 years. And, during that period, very few improvements to Waldron Road have been made for lack of city funds.

Westark Community College is a two year college offering vocational-education programs, university parallel programs, and community service enrollment programs. From 1975 to 1983, the enrollment in the first two programs increased from 3,200 to 3,600 students or approximately 13 perccent. From 1971 to 1983, enrollment in the community services program increased from 500 to 12,000 or a phenomenal 2,300 percent.

Westark plays a very important part in the economy of Fort Smith. The vast majority of its vocational education students are employed locally — thus, it is a technical training center for the Fort Smith area. In fact, many of the students are hired before graduation to fill needed technical jobs — a very comendable reference to its program.

The community service program, the most rapidly growing program, is both for fun and business. Many of the programs have been developed in conjunction with business and industry leaders in Fort Smith. The programs range from re-training employees to continuing education in the fields of management and computer know-how. Also, stress programs and just plan fun programs for exercising, etc. have been established with great success.

The success of Westark and its vital link to the business and industry community has naturally added to the traffic congestion. In order to continue, improvements must be made or programs will be adversely affected by the difficulty of reaching the college.

PROJECT COSTS:

The following is a preliminary cost of completing the project.

| | |
|---|---|
| Construction - Including Widening, Signalization, Utility Relocation | $ 4,506,000.00 |
| Acquisition, Relocation, Demolition | 2,584,000.00 |
| Professional Services and Administrative | 1,410,000.00 |
| TOTAL PROJECT COST | $ 8,500,000.00 |

Under regular Department of Transportation programs, the city would be eligible for 75% of the cost of constructing the improvements which does not generally include utility line relocations but includes 100% for signalization. As a result, the city would be responsible for over five million dollars of the total project cost. This figure represents between 20 to 30 percent of the entire city budget. The city does not have the revenues to carry out its share of the cost. Yet, the project is vital to safety and economic well-being of the city and surrounding areas.

MAPS AND RESOLUTION:

Vicinity and project area maps are attached.

Also, a resolution by the Board of Directors of the City of Fort Smith designating the Waldron Road Improvements as a top priority project is attached.

RESOLUTION NO. R-68-83

A RESOLUTION DESIGNATING A MASTER STREET PLAN TOP PRIORITY TO WALDRON ROAD

WHEREAS, the Fort Smith Master Street Plan, adopted June 6, 1978 by Ordinance No. 3565, identifies Waldron Road as a major arterial street; and

WHEREAS, Waldron Road presently is asked to accommodate traffic loads in access of its design capacity and thus, congestion, bottlenecks, and other traffic impediments often occur; and

WHEREAS, certain opportunities exist under the Surface Transportation Act for attractive funding possibilities;

NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

The Board of Directors hereby designate Waldron a top priority project for improvement, including widening, from Rogers Avenue to Grand Avenue and thence east along Grand Avenue to its intersection with Interstate 540.

Passed and approved this 21 day of June, 1983.

APPROVED:

Mayor

ATTEST:

Sharon Reed
City Clerk - Acting

[illegible]

TESTIMONY OF
SENATOR SAM NUNN
BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

MARCH 20, 1984

Mr. Chairman, I certainly appreciate the opportunity to testify before the Transportation Subcommittee oversight hearings on the implementation of the Surface Transportation Assistance Act of 1982. In my view, no single factor is more important to our nation's ability to conduct commerce, enjoy our national treasures, and bring Americans closer together than the development and maintenance of a sound highway transportation network. Indeed, the Surface Transportation Assistance Act enacted by Congress and signed by the President in early 1983 has provided hundreds of thousands of jobs nationwide and is responsible for the dedication of additional federal funds to the critical task of rebuilding America's highway infrastructure.

However, because a significant portion of these resources are targeted to the completion of the interstate highway system and the development of public transportation in our urban centers, some regions of the country--mostly rural--receive a less than fair return on their contributions to the federal Highway Trust Fund. It was for this reason that I introduced S. 2025 during the first session of this Congress.

Mr. Chairman, this legislation is of tremendous significance to the economic development of my state of Georgia, as well as a host of other states throughout the nation. This measure will provide special additional funding for the completion of a vital highway project in Georgia, the so-called Corridor Z Route, and will allow similar projects in other states to go forward. Specifically, my measure will earmark five percent of federal primary highway funds over the next three fiscal years to be applied to design and construction currently in progress on priority projects in many states including those routes composing the proposed Kansas City, Missouri to Brunswick, Georgia multimodal corridor. This legislation does not provide for the establishment of any new projects, but will permit those previously authorized and designated as Priority Primary projects by Congress--specifically, those so designated in Committee Print 97-61, a copy of which accompanies my testimony*--to proceed. Incidentally, Mr. Chairman, I would point out that some of these projects have either already been completed or are no longer deemed to be a priority by the states.

The Corridor Z Priority Primary Route from Columbus to Brunswick, Georgia is an important segment of the proposed multimodal transportation corridor from Kansas City to Brunswick. The economic potential of the region is significant, but development in this area is now stymied by poor land transportation. The possibility of the Corridor Z Route opening up the nation's agricultural heartland to international trade through southeastern seaports certainly enhances the economic significance of this project. In the area encompassing the six states of Alabama, Arkansas, Mississippi, Missouri, Tennessee and Georgia the provision of a major transportation corridor would encourage industrial growth and stimulate the region's economy.

---

*House Committee on Public Works and Transportation Committee Print 97-61 has been retained in committee files.

Corridor Z in Georgia was approved as part of the Priority Primary System through federal legislation enacted in 1979. This legislation set aside $125 million for each of the fiscal years 1979-1982 from the federal Primary Program. These sums were made available for obligation at the Transportation Secretary's discretion for large projects which require long periods of time for their construction.

Georgia took advantage of these discretionary funds and embarked on an ambitious course to expand and improve a highway route to fulfill the need for an east-west connection between the southwest portion of our state and the Atlantic coast. This project enjoyed--and still enjoys--the widespread and enthusiastic support of not only the Georgia congressional delegation, but also the Georgia Department of Transportation, local officials, business leaders and residents in the areas which the highway would serve.

Unfortunately, the 1982 Surface Transportation Assistance Act ended special funding for the Priority Primary Program. The elimination of this funding category shattered the hopes of those who believed that fulfillment of the economic potential of south Georgia was within reach. South Georgians understandably feel that since the STAA of 1982 increased the highway fuel tax by a nickel per gallon for all users of the system, they are entitled to the same quality transportation facilities as those residing in other sectors of the nation. I am most concerned over this inequity.

Under current law, any future funds for Corridor Z must come from Georgia's apportionment of Federal-Aid Primary funds which are available for primary work throughout the entire state. With the critically urgent need for repair and improvement of Georgia's primary road system, it will be simply impossible for the state Department of Transportation to re-direct primary funds in a manner which would provide for the timely completion of Corridor Z.

Corridor Z is half completed. The measure I introduce today will permit this vital highway project to reach fruition. It will reinvigorate the local economies of many small towns and cities across the state of Georgia which are underserved, and will also establish a safe, efficient and sophisticated highway network which will promote interstate commerce and respond to the transportation needs of the citizens of several states. I believe the economic, social and political changes that will result from the continuation of this multimodal corridor linking Kansas City to Brunswick and the growth that it will bring to the whole Southeast makes this transportation corridor essential as one of the nation's major transportation goals for the future.

Mr. Chairman, the Corridor Z Route is critical to the economic future of South Georgia. It is my sincere hope that this legislation is included in any highway measure approved by the subcommittee this year. Once again, I am grateful for the opportunity to present my views on this important issue, and I commend the members of the Environment and Public Works Committee for their fine work in shaping the future of our nation's highway transportation system for decades to come.

Statement of Senator Paul Laxalt
before the
Senate Environment and Public Works Committee
March 20, 1984

Mr. Chairman,

Thank you for this opportunity to present testimony today on behalf of a highway demonstration project in Sparks, Nevada. I appreciate your taking the time to hold these hearings and to consider the future highway needs of this country.

I realize that every highway project is unique, usually is supported by the local community and usually is needed to facilitate traffic flows. I also realize that the amount of money we have, even with the passage of the additional gas taxes to spend on highway demonstration projects, is fairly limited. However, with the limited money that exists, I do believe the situation in Northern Nevada merits the funding of the Sparks Boulevard Interchange.

The facts make the case. The interchange was not part of the original interstate plan. At the time the interstate network was drawn up, Northern Nevada did not have the local or tourist population which necessitated this overpass. But since 1970, the area has experienced a population growth rate of over 60%. In addition, the area has grown substantially as a tourist destination. Both factors have significantly increased the traffic in the area.

Sparks Boulevard Interchange would provide access to a four lane expressway, which in turn will serve as a beltway. This would significantly improve the traffic flow, improving both the environment and the safety record of the area. This point cannot be stressed too strongly -- as long as traffic follows its current patterns, there is an increased danger to the health and safety of the people in the Sparks-Reno region of Nevada.

The interchange is part of the city's growth management plan. It has been endorsed regionally and has widespread support as evidenced by the appearance of Mayor Spoo from Sparks today. The benefit/cost ratio of the project is greater than 1.5. The interchange is less than 3 miles from an international airport and less than 20 miles from a State line. In short, the interchange is an integral part of the entire region's transportation system.

Last year I tried to get Congress to fund special repairs for Vista Bridge, another highway interchange in Sparks, Nevada. While the Senate shared my concern about the safety hazards connected with Vista, the House, on jurisdictional grounds, deleted funding for the project. The State subsequently made arrangements to fund the repairs not wanting to continue to jeopardize the lives and property of its citizens and visitors.

Unfortunately, with that, and with all the highway projects currently under construction in Nevada, the State well of funds has run dry. Nevada is a large State with a small population base. As a large State, Nevada contains a percentage of interstate highways which is greater than its gasoline tax allocation can support. Many sorely needed highway projects will not be built for years. Recent difficulties with the ICE legislation have only compounded the problem. The repairs to Vista, as an existing highway interchange, were desperately needed. But, they have also pushed back even farther the starting date for construction of the Sparks Boulevard Interchange.

For all these reasons, I strongly urge you to provide the monies necessary to build the Sparks Boulevard Interchange. I am sure that when you assess the many projects before you for funding, Sparks Boulevard Interchange will rate as one of the most worthwhile.

Again, thank you for allowing me to submit evidence on this matter and thank you for all your consideration.

Statement of Senator Chic Hecht
Senate Committee on Environment and Public Works
Subcommittee on Transportation

Mr. Chairman:

I want to thank the Committee for holding these hearings today and wish to join my colleagues Senator Laxalt and Congressman Vucanovich in support of funds urgently needed for the construction of Sparks Interchange near Reno, Nevada.

For many years, the City of Sparks has realized that an efficient and safe transportation system is vital to the Truckee Meadows. Expansion, while welcome by the community and all those interested in economic development within the region, has resulted in unwelcomed congestion and a severe strain on the present highway system. Various solutions to the problem have been considered over the years, Mr. Chairman, focusing in on the need for an interchange between Interstate 80 and Sparks Boulevard.

A new interchange at Sparks Boulevard would become a major element in the planned development of the City of Sparks while offering considerable benefit to the community. Key to the Washoe County Master Plan of Streets and Highways, a new interchange would relieve present overuse and congestion at the I-80/McCarran Boulevard Interchange. Moreover, future traffic demands have shown conclusively, Mr. Chairman, that construction of a new interchange is fully warranted to meet the need.

Mr. Chairman, the total price tag for realization of the Sparks project is approximately $22 million. The need for this money is apparent and is strongly supported by State, local and community leaders alike. As well, local industry like General Motors Warehousing and Distribution and Southern Pacific Transportation Company all have indicated their support and concur in the sense of urgency surrounding the need for a solution to this problem.

Mr. Chairman, orderly growth and development in Sparks is dependent on a highway system that can accommodate ever increasing levels of tourist and Interstate commercial traffic. The Sparks Boulevard project will accomplish these goals and I urge the Committee to allocate the necessary $22 million that will accomplish the completion of this project.

Thank you Mr. Chairman.

**Southeast Women's Employment Coalition**
**P.O. Box 1357 Lexington, Kentucky 40590 (606) 269-7372**
**269-7298**

April 13, 1984

Senator Steve Symms
Chairman
Subcommittee on Transportation
410 Dirksen Office Building
Washington, D.C. 20510

Dear Senator Symms:

On behalf of Southeast Women's Employment Coalition, I want to thank for your invitation to testify before the Subcommittee on Transportation in reference to the implementation of Surface Transportation Assistance Act of 1982 and its impact upon women. In response to your request, please find enclosed SWEC's responses to the questions you raised regarding the testimony given before your subcommittee on March 22, to be included in the hearing record.

Thank you for your interest. Should you need additional information, please call.

Sincerely,

Wendy Johnson

Wendy Johnson
Women's Opportunity in Road Construction
Project Director

***"Principles, not policy; justice, not favor;***
***Men, their rights and nothing more; women, their rights and nothing less."***

## QUESTIONS FOR SOUTHEAST WOMEN'S EMPLOYMENT COALITION

(1) Secretary of Transportation Dole has announced initiatives to improve opportunities for women at the U.S. Department of Transportation. In your experience, what are State DOTs doing to encourage employment opportunities for women? What further steps would you recommend at the Federal or State level?

(2) What efforts do you believe highway contractors and subcontractors should be making to recruit, train, and promote women?

(3) To what degree have women been able to participate in training programs for construction workers and contractors?

(4) Once women have completed job training programs, are they being absorbed into regular construction jobs?

(5) Your organization has filed a legal complaint against the U.S. Department of Transportation and has charged sex discrimination by the 51 state DOTs and several private construction firms. How do you believe this complaint will be resolved? In your talks with the U.S. Department of Transportation to date, do you think progress is being made?

(6) Do you think that the goals of providing increased employment opportunities for minorities and women can be successfully met in ways other than statutorily?

## RESPONSES TO QUESTIONS REGARDING SOUTHEAST WOMEN'S EMPLOYMENT COALITION'S EFFORTS FOR ROAD CONSTRUCTION JOBS

Question #1. Our experience has shown that state DOT's are doing very little to encourage women to enter nontraditional jobs, which hold the largest promise for advancement and providing a livable wage. Our latest statistical data reflect that women are still heavily concentrated in the clerical category, which traditionally has the lowest paying jobs.

For example, the workforce of the Georgia DOT reflects that no women are employed in the skilled crafts/trades category. Of the total female workforce, which numbers 608, more than half (363) of the women are in the office/clerical category.

The federal aid highway construction workforce data is similar. Of the 3,539 crafts/trades employees, only 144 are women. In North Carolina, the DOT workforce numbers 12,297, but women make up only 3.8% of the crafts/trades category, which has approximately 7,000 employees

When almost three million women maintain households and families on their own, the economic benefits of nontraditional work is quite compelling. The following excerpt from a letter we received from a woman interested in obtaining highway construction work illustrates this vividly:

"I am currently holding down one full time and two part time jobs in order to support my family and myself. All three jobs are traditional female jobs -- low paying.... I work seven days every week. I am a very hard worker, in excellent health and feel I can do anything given the proper training."

SWEC has been informed that Secretary Dole has announced a new initiative that would improve opportunities for women. However, beyond the MBE and the WBE focus, we are unaware of the U.S. DOT's recognition and commitment to changing the fact that women are underutilized in federal aid road construction.

There are many actions that can be employed at the federal and state level that can open up employment opportunities for women. The key to change, however, is through leadership. "The tone is set at the top," said one of Secretary Dole's executive assistants during a negotiation session, in reference to the Secretary's commitment to address this issue. But administrative oversight, or lack of it, has sent a message of silent approval for states' inaction. In response to our administrative complaint alleging failure to enforce nondiscrimination on the basis of sex, Wesley Plummer, then Director of Civil Rights in the U.S. DOT, stated that his department "didn't have jurisdiction" to deal with sex discrimination in the industry.

On the other hand, OFCCP initially investigated eight contractors named by SWEC in Region 4 and found seven of the eight to be in noncompliance. Despite these findings, OFCCP had no plans to do any further investigations of highway contractors, including the other 24 contractors we had named in the complaint.

Given this history, it is imperative that Secretary Dole's commitment be translated into dedicated and deliberate enforcement of present antidiscrimination laws; only then will the "tone" be felt throughout all levels (state and local) and will there be no doubt as to its meaning.

With this in mind, SWEC provides the following recommendations:

1. Intensive recruitment efforts, including advertising in media addressing the minority and women's communities, public speaking and release of position vacancy announcements to groups dealing with these populations, active efforts in public schools, particularly to vocational education programs, education and rigorous monitoring of agencies, particularly state employment personnel, who list and refer applicants to state DOT vacancies.

2. Stepped up apprenticeship and on the job training programs, emphasizing preparation for a wide range of skilled craft job categories, not steering all women and minorities into the "softer," less skilled, lower trades of truck driver, equipment operator, and carpenter. We must not replace one form of occupational segregation with a new job ghetto.

3. Formulation of strict policies with swift and effective enforcement procedures to guarantee the elimination of all sexual and racial harassment. Included should be efforts to include more than one token woman or man of color on each road crew, whenever feasible, and specific instructions from supervisors that no co-worker or management harassment will be tolerated.

4. Development and continuation of supportive services that assist women and minority men.

5. Return to a state-by-state EEO compliance reporting system. The current regional approach makes it nearly impossible to hold individual state DOT's accountable for their poor performances or reward those states who achieve considerable success.

6. Emphasis by the federal DOT on achieving equitable results in the skilled crafts and labor positions, jobs which are most available and offer most opportunity for advancement. Comparable worth studies should be conducted for the state DOT clerical workforce, and EEO compliance should be tested and monitored separately for women in the trades.

7. Increased federal emphasis on compliance reviews with greater enforcement efforts. The results of EEO reviews should

receive national publicity.

Question #2. Highway contractors and subcontractors must make aggressive efforts to advertise, recruit, train and maintain women and minorities in their workforces. Too many times, when jobs or training openings are available, the highway contractors rely on "word of mouth" to bring in new recruits. With a workforce which is 96% white and male, these jobs are passed from father to son, buddy to buddy, thus perpetuating a white male dominated workforce. Vastly improved performances are required from both contractors and labor unions in the hiring of women and minority men, as well as the placement of these under-represented populations into apprenticeship and OJT programs.

Question #3. Participation by women in apprenticeship and training programs is limited or prohibitive. For example, TRADESWOMAN Magazine reports that in California, women wanting to enter the apprenticeship program for operating engineers must be members of Local 3 of the Operating Engineers Union, the largest construction local in the country. The Union's initial membership fee is $400-$600. To further complicate the barrier, the magazine reports, "Training involves a live-in, three-month long stint at Local 3's Training Center in the middle of California, where no child care provisions are offered." Discriminatory barriers also limit women's access to these programs by way of unions, because of traditional patronage or the "good ole boy" network.

Specialized programs such as PREP, Inc., in Cincinnati, Ohio, a skilled outreach training program for women and blacks that focusses on the building trades, have been successful over the years in opening up training and employment opportunities for women. However, programs of this nature are too few, and the continued existence of some are threatened by budget cuts.

Question #4. Federal highway contractors are subject to 6.9% participation by women in all job categories. However, the almost utter lack of compliance enforcement of these goals has led to half hearted attempts by contractors at meeting the letter of law, rather than its intent, or in some cases total avoidance of it. In the last ten years, the few women recruited have been unable to attain the higher paid skilled jobs, despite their relatively higher percentages among less skilled or unskilled workers. Again, referring to TRADESWOMAN Magazine, "The specific form of the affirmative action paper chase game played in highway construction has indeed meant that often women are hired as laborers, to do flagging, and their hours put towards meeting federal goals for women on site. Expectations are that you will not move out of that role, although of course there are women who have moved into skilled trades from there, or into general laboring work."

Question #5. SWEC's present attitude towards the U.S. DOT's investigation is best characterized as one of "cautious optimism" mixed with a commitment to follow through on the investigation and pursue all productive options to increase women's opportunities. At this point in time, however, we do not know how the complaint will be resolved, but we can say that some progress has been made. An initial investigative plan has been devised, and has commenced on schedule. We will continue to communicate and make revisions that will hopefully produce a comprehensive and qualitative review.

See Attachment A for further response to the second part of this question.

Question #6. Efforts by groups such as SWEC to develop local action around this issue have had some success. However, a national management and administrative structure that is sensitive and responsive to the needs of women and has a firm commitment to EEO is essential to insure industry wide reform with long term gains. Some cities have taken the initiative and established their own plans requiring the hiring of women in all levels of city-financed construction work. This is also true for minority hiring. In some instances, these plans can give the city the power to withhold payments and even terminate the contracts of those who don't comply.

Secretary Dole has voiced a commitment to improve employment opportunities for women and minorities in the construction industry. However, until the federal DOT demonstrates firm leadership with an unwavering pledge to enforce the present antidiscrimination laws and affirmative action policies, the states and other subcontractors will feel no obligation to meet their enforcement obligations with seriousness and aggression.

NATIONAL WOMEN'S LAW CENTER
1751 N STREET, N.W.
WASHINGTON, D.C. 20036

NANCY DUFF-CAMPBELL
MARCIA D. GREENBERGER
MARGARET A. KOHN
DIANN Y. RUST-TIERNEY
SHIRLEY J. WILCHER*
ATTORNEYS AT LAW

ANN F. KOLKER
POLICY ANALYST

JANE K. BEARD
DEVELOPMENT SPECIALIST

*ONLY ADMITTED IN N.Y.

A

March 7, 1984

RECEIVED MAR 12 1984

The Honorable Elizabeth Dole
Secretary, U.S. Department of Transportation
Office of the Secretary
400 Seventh Street, S.W.
Washington, D.C. 20590

Dear Secretary Dole:

We are writing on behalf of the Southeast Women's Employment Coaliton, (SWEC) to express our concern with the Department's disappointing progress in investigating the administrative complaint filed by SWEC and 17 other complainants with the Department of Transportation in November 1980. The complaint alleges pervasive sex discrimination in the internal workforces of the State Departments of Transportation themselves, and in the workforces of private contractors who are engaged in federally-assisted highway road construction in those states. We were heartened when your staff made a commitment to investigate and resolve the allegations in this longstanding complaint in a prompt and complete fashion. Unfortunately, this commitment has been called into question.

To date, SWEC and its counsel have participated in a series of five meetings with Department of Transportation representatives, beginning on December 6, 1983. The most recent was held on March 5, 1984. The purpose of these meetings has been to work with the Department to design an investigative plan for the extensive complaint, including the sequence and timeframe for each state to be investigated. Moreover, the meetings were to provide a forum for SWEC to assist the Department in developing the facts for the investigation.

FORMERLY THE WOMEN'S RIGHTS PROJECT OF THE CENTER FOR LAW AND SOCIAL POLICY

At a meeting on February 16, 1984, the Department proposed to begin investigation of the complaint by a review of the employment practices within the State Departments of Transportation for six states. Georgia, California, Missouri, Ohio and Maryland, were designated as the initial states to be investigated with beginning dates for investigations ranging from April 2, 1984 until May 21, 1984. The sixth state was only tentatively identified. We were advised that six staff members from headquarters would be assigned to the investigation to work with regional staff in order to maintain uniformity and coordination of the regional efforts. Two individuals from the Office of the Secretary were designated, and identified; four individuals were designated from the Federal Highway Administration, but were not identified at that time.

SWEC expressed several concerns. First, the investigative plan for the six initial states did not include a plan for investigating the allegations of discrimination against private contractors engaged in federally-assisted highway construction, even though those allegations were an integral part of the SWEC complaint. Second, SWEC expressed concern that the investigations for the states were staggered over a lengthy period of time, thereby extending the amount of time required to finally resolve the complaint. Third, the investigative plan contained no dates for resolving each of the six investigations or any of the stages which might precede a final resolution such as completing preliminary findings which would be made available to the complainant, issuing the final letters of findings or terminating conciliation efforts and beginning enforcement proceedings. Fourth, the plan contained no provisions for expanding the investigation beyond the first six states. Finally, SWEC expressed concern that the Department had not allocated adequate personnel to investigate a complaint of the scope of SWEC's complaint.

In response to these concerns, the Department of Transportation representatives agreed to:

- attempt to shorten the timetable for investigating the six initial states; in particular to schedule the investigation of the state of Maryland for March, 1984;
- finalize the selection of the sixth state for investigation which had only been tentatively identified;
- designate dates not only for completing the investigations in the initial states, but also for making final determinations and resolving the complaint or commencing enforcement;
- devise a plan for investigating allegations of sex-discrimination by private contractors engaged in federally-assisted highway and road construction;

- designate FHWA headquarters staff assigned to the investigation; and
- begin to plan for the next set of states to be investigated after the first six.

It was agreed that this information would be presented in a subsequent meeting scheduled for March 5, 1984. At the March 5 meeting, all of the commitments made by the Department of Transportation were called into question.

### Resources

Although the Department made a commitment to investigate the longstanding SWEC complaint, and SWEC was advised on February 16, 1984 that four staff persons from FHWA headquarters to be designated on March 5, 1984 would be assigned to the investigation, not only were the staff persons not designated, but FHWA representatives expressed reservations about whether, in fact, four FHWA headquarters staff persons would be assigned to the investigation. SWEC has strong reservations about the very few headquarters staff resources assigned to a complaint under any circumstances, but the suggestion that even the four staff persons from FHWA headquarters may not be assigned to investigate the complaint is totally unacceptable and unjustifiable. The Department's commitment must be backed by adequate staff in order to make a timely and thorough investigation of the allegations in the SWEC complaint a reality.

### Prompt Investigation

The Department's representatives agreed to attempt to schedule beginning dates of state investigations earlier, in particular to schedule the investigation for Maryland for March rather than May. At our meeting on March 5, 1984, none of the beginning dates for state investigations had been rescheduled. Moreover, no plan whatever was presented for work on additional states beyond the first six.

## III. Plan for Investigation of Private Contractors

As agreed in our February 16, 1984 meeting, a plan for investigating private contractors engaged in federal highway construction would be presented at our March 5, 1984 meeting. On March 5, 1984, we were told not only that the plan had not been drafted, but that FHWA representatives could make no projections as to when that investigative plan would be completed.

## IV. Request for Information

SWEC made several requests for information to assist it in developing facts for the DOT investigation. The information requested by SWEC is also information which the Department will need to conduct a thorough investigation of the SWEC complaint. The following information has been requested on several occasions by SWEC and has not yet been received:

- o Compliance reviews for States since 1979
- o List of states scheduled for compliance reviews within the next 6 months
- o Individual complaints of discrimination against State Departments of Transportation and contractors engaged in federal highway construction filed with EEOC
- o Individual complaints filed with the Department which were referred to EEOC

When the information was requested again on March 5, 1984, SWEC received commitments from Department representatives, as they have in the past, that the information would be available to them at the next meeting.

The amount of time spent in meetings, apparently with little result, calls into question the commitment of the Department and its staff to handle this complaint in an acceptable manner.

It is our understanding that the Secretary's office has made a personnel commitment to resolve the complaint. Unfortunately, that commitment has not been translated into the action needed over the past few months. A commitment by the Department of Transportation can only be a reality if a timely and thorough investigation is conducted and the allegations in the complaint are quickly resolved. We expect the next few months to be peak periods for hiring in construction. It is essential that women not be denied employment opportunities because of the practices identified in the SWEC complaint, as a result of the Department's failure to act promptly.

Sincerely,

Marcia D. Greenberger

Marcia D. Greenberger
National Women's Law Center

Betty Jean Hall
Coal Employment Project

cc: Jenna Dorn
William Hudson
R.A. Barnhart
Dorsey Thomas
Edward Quick

ARTBA
American Road & Transportation Builders Association

Statement by the
American Road & Transportation Builders Association
before the Transportation Subcommittee
Senate Environment and Public Works Committee
98th Congress Second Session
Re: Proposed 1984 Surface Transportation Legislation
James A. Caywood, ARTBA Immediate Past Chairman
Accompanied by Daniel J. Hanson, Sr., ARTBA President

Mr. Chairman and Members of the Subcommittee:

My name is James A. Caywood. I am the President of De Leuw, Cather & Company, with headquarters in Washington, D. C., and I am here today representing the American Road and Transportation Builders Association, of which I am the immediate Past Chairman. I am accompanied by ARTBA's President, Daniel J. Hanson, Sr.

525 School Street, S.W., Washington, D.C. 20024 • (202) 488-2722

Mr. Chairman and Members of the Subcommittee:

We would like, first of all, to commend the Subcommittee for moving ahead, so early in the 2nd Session of the 98th Congress, to address the surface transportation issues which require full consideration in 1984. Since this will be a short session, it will be difficult at best to enact new and comprehensive highway legislation this year.

Therefore, it is certainly not too soon to begin work on the 1984 legislative package. Indeed, it may be appropriate at this time to begin laying the ground work for the extension of the Surface Transportation Assistance Act of 1982. The STAA of 1982 does provide authorizations through Fiscal Year 1986. However, we all need to begin thinking seriously about the shape of the Federal-aid Highway Program in the years after 1986!

Passage of H.R. 4957

At the outset, we would like to express our deepest appreciation for the hard work of the members of the Subcommittee and, indeed, the full Senate Committee on Environment and Public Works for the passage of H.R.4957 earlier this month. We are hopeful that freeing up some of the Interstate Construction Funds can put substantial new work to contract during the 1984 construction season.

Immediate Problem -- Approval of a New 18 Month ICE

It is important to view issues in a long-range perspective. However, we cannot overlook the fact that the Federal-aid highway program is still in a total shambles today. This is due to lack of a full two (2) year Interstate Cost Estimate which should have been approved by Congress last fall. Please let the record show that ARTBA has strongly supported, like this committee, a full two (2) year Interstate Cost Estimate since early last year.

The flow of Interstate lettings has been slowed to a trickle. Interstate construction schedules have been disrupted. It is not necessary to belabor this matter. The facts speak for themselves. Obligations for the first five (5) months of Fiscal Year 1984 amounted to less than $3.5 billion. In the first five (5) months of Fiscal Year 1983, the states obligated more than $3.8 billion. Instead of doing better with the five-cents-per-gallon motor fuel tax increase, we are actually doing far worse!

The benefits of the STAA of 1982 are still being lost. This includes the significant reduction in transportation construction unemployment which was promised. It was also intended to accelerate the Interstate construction program, with the hope and expectation that the designated Interstate System will be essentially completed by 1990. Congress must move with all possible speed to approve a new eighteen (18) month Interstate Cost Estimate. We urge you to resolve this key issue as early as possible this year.

## Budgetary Matters -- Highways

The STAA of 1982 included obligation ceilings for each of the four fiscal years covered by the Act. There is a direct relationship between the obligation levels set forth in Title I of the Act and the revenue projections supported by the charges on highway users provided in Title V.

The money in the Highway Trust Fund should be made fully available for the expenditures authorized by Congress. There should be no compromise on this point. We strongly recommend that the highway obligation ceilings established in the STAA of 1982 be fully implemented for Fiscal Years 1985 and 1986. ARTBA supports the $13.875 billion ceiling proposed in the President's budget. However, we strongly urge that such items as the 85% provision be funded outside the normal obligation ceiling.

For the past several years, the highway program has been subjected to a first quarter obligation ceiling. No state may obligate, in the first quarter, more than 35 percent of the obligation authority assigned to it during the fiscal year. Furthermore, the national total of obligations in the first quarter may not exceed 25 percent of the fiscal year obligation ceiling.

The only reason for this restriction is to delay cash outlays from the Highway Trust Fund. When states obligate Federal-aid funds early in the fiscal year, contracts are let and people go to work. The states at a later date, make progress payments to the contractors and then file claims for Federal reimbursement.

Cash is then paid out of the Highway Trust Fund in the same fiscal year in which the obligations were made. With only a few months delay, a greater proportion of the cash outlays are delayed until the following fiscal year.

We should all be looking for ways to accelerate the Federal-aid program, not delay it. This type of artifical cash-flow restraint is very awkward to explain and even more difficult to justify. It should be discontinued immediately as a part of the Federal-aid Highway Program.

Interstate System Deadlines

Existing law requires that initial construction be underway on all remaining Interstate segments no later than September 30, 1986. This deadline must be met and not extended! Special provision can be made for the few isolated situations where legal challenges may remain unresolved at that time. However, we must soon get to the point where the final location and design of the Interstate System will be complete.

As we approach that point in time, we are also getting to the point where the Interstate Cost Estimate will be an anachronism. At the present time, 19 states are already in the minimum apportionment category. Each of these states receives one-half of one percent (0.5%) of the apportionment since their current total Interstate completion needs are less than $18 million.

In most other states, all of the major location and design decisions affecting a final cost estimate have been completed. Therefore, in the very near future, periodic Interstate Cost Estimates will no longer be necessary.

ARTBA strongly recommends that the next Interstate Cost Estimate, after the one now pending, be the final one. All that is really needed at that time is a fiscal mechanism in order to ensure that the Federal share of the remaining costs will be available as needed for the states to complete the Interstate System.

The fact is that the computation of future Interstate Cost Estimates will be a relatively simple operation. With few exceptions, the location and design of all of the remaining segments has already been determined. The states have already prepared detailed cost estimates with respect to these segments. In order to update the cost estimate it is necessary only to subtract the cost of the work completed since the last cost estimate, and then adjust the remaining cost to current dollars. A map relating to this issue is attached.

Expanded Bridge Program

In September, 1983, ARTBA wrote to all members of this committee to express an urgent concern that funding for the Highway Bridge Replacement and Rehabilitation Program should be increased to $4.0 billion per year. We also recommend at that time that the Federal-state matching ratio be set at 90-10. This would provide for a bridge program of about $4.4 billion per year, including state matching.

A table from the Federal Highway Administration's Fourth Annual Report to Congress on the bridge program is included with this testimony. The table shows backlogged bridge needs amounting to $48.9 billion, as of December 31, 1982. The FHWA report includes an estimate that an additional 3,477 bridges on the Federal-aid systems will be added to the inventory of deficient bridges each year. This will increase the cost estimate by about $1.9 billion each year.

FHWA did not supply a comparable estimate for future additions to the inventory of deficient off-system bridges. ARTBA believes that an estimate of about $1.0 billion per year for off-system bridges would be very conservative.

Therefore, making no allowance for price inflation, ARTBA anticipates that future bridge needs will reach close to $3.0 billion per year. We must reduce this backlog by investing at least $4.4 billion in bridge replacement and rehabilitation each year. Even then, making no allowance for inflation, it would take almost 40 years in order to eliminate the entire backlog.

Under the present program, we will never catch up. In Fiscal Year 1986, the bridge program is authorized at a level of $2.05 billion in Federal-aid funds. With 15 percent state matching, this only provides a total program of about $2.4 billion. With needs increasing at $3 billion per year, the backlog, after 38 years, would be about $75 billion. In order to provide for the safety and efficiency of the national highway system, this simply will not do and is unacceptable.

ESTIMATED COST OF REPLACING OR
REHABILITATING DEFICIENT BRIDGES

(as of December 31, 1982)

(billions of dollars)

| System | Bridges Eligible for Replacement | Estimated Cost | Bridges Eligible for Rehabilitation | Estimated Cost | Total Cost |
|---|---|---|---|---|---|
| Interstate | 481 | $ 0.5 | 3,098 | $ 1.3 | $ 1.8 |
| Primary | 8,182 | 6.3 | 12,400 | 4.9 | 11.2 |
| Secondary | 14,721 | 4.1 | 15,331 | 3.2 | 7.3 |
| Urban | 3,920 | 4.3 | 4,623 | 2.1 | 6.4 |
| Total Federal-Aid Systems | 27,304 | 15.2 | 35,492 | 11.5 | 26.7 |
| Off-System | 123,698 | 17.2 | 51,352 | 5.0 | 22.2 |
| Totals | 151,002 | $ 32.4 | 86,844 | $ 16.5 | $48.9 |

Cost estimates based on highway construction costs for the first half of 1982.

Source: Fourth Annual Report to Congress on the Highway Bridge Replacement and Rehabilitation Program, March 1983

NOTE: Since the enactment of the Surface Transportation Assistance Act of 1978, a total of 9,046 bridges have been or are in the process of being replaced or rehabilitated with Highway Bridge Replacement and Rehabilitation Program funds.

This total is less than 4 percent of the current inventory of structurally deficient and functionally obsolete bridges.

## Disadvantaged Business Enterprise

Section 105 (f) of the STAA of 1982 provides that not less than 10 percent of funds authorized be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals. This provision is an affront to the free enterprise competitive bidding process. Over a period of many years, we have arrived at an effective system under which the soundly managed contracting firm can succeed. The inefficient operator must either get his house in order or he fails.

The establishment of artificial quotas for participation by certain favored groups results in substantial additional costs and some very questionable practices. Only a very small proportion of the certifiable "disadvantaged" firms are able to function as prime contractors. Therefore, the DBE program is essentially a program to give "disadvantaged" subcontractors a significant "edge" in obtaining work.

Much too often, the prime contractor must pay a very expensive price for the opportunity to work with a "disadvantaged" subcontractor by assuming full fiscal and quality control responsibilities. Meanwhile, many small speciality subcontractors who are not "disadvantaged" are being forced out of business. This is a very serious issue which must be resolved.

The General Accounting Office is in the process of responding to a Congressional request issued by this Committee on June 20, 1983. An objective appraisal of the enormous problems which are currently being encountered in the implementation of the DBE provisions are being thoroughly investigated.

The information which is being derived from this study is urgently needed. We request that this Subcommittee ask GAO to expedite the study. The results of their study should be considered, at this time, in the preparation of the 1984 highway legislation. Meanwhile, ARTBA will be glad to make available to this Subcommittee any information submitted to us by ARTBA members, which documents some of the horrendous results of this misguided legislation.

Sanctions

The penalty for non-compliance with numerous Federal requirements is the withholding of Federal-aid highway funds. The application of such sanctions may have been appropriate in some situations. The very first Federal Highway Act (1916) provided for the withholding of Federal funds from a state which failed to organize a highway department suitably equipped to manage those funds.

Penalties are entirely inappropriate in cases where the state highway agency is powerless to bring the state into compliance. The withholding of Federal-aid highway funds from areas which fail to meet clean-air standards, for example, is unjustified. It also makes little sense to deny highway construction funds from states which fail to adequately enforce the 55 mph speed limit. Incentives work better than penalties in such cases. This is particularly true in the safety field.

National Uniform Minimum Drinking Age

It has recently been proposed that Federal-aid highway funds be withheld from states which fail to establish a 21-year-old minimum drinking age. Whatever the merits of such an age standard may be, the withholding of highway funds is clearly an inappropriate penalty for non-compliance. ARTBA strongly believes in the "carrot" rather than the "stick" approach.

It is clear that a disproportionate number of highway accidents involve teen-age drivers who have been drinking. A bill pending before the House (H. R. 4892) is intended to prohibit the possession or consumption of alcoholic beverages by persons under 21 years of age.

ARTBA is deeply concerned about the proposed method of enforcing this legislation. The proposal consists of putting pressure on the state legislatures to enact the necessary legislation. If any state fails to enact such legislation within two (2) years, it would be penalized by losing 25 percent of its Federal-aid highway apportionments. The penalty would increase in states until, by the end of the sixth year, all Federal-aid highway funds would be withheld.

ARTBA has previously stated its concern with the tendency to penalize the highway program for matters which are out of the control of the state highway and transportation agencies. We are strongly opposed to the penalty provisions of (H.R. 4892) which could cripple the entire highway program in numerous states in the future.

National Highway Safety Administration

The Secretary of Transportation has presented to Congress draft legislation to establish a National Highway Safety Administration. This new administration would encompass all of the current responsibilities of the National Highway Traffic Safety Administration (NHTSA). In addition, some of the safety-related functions of the Federal Highway Administration (FHWA) would also be included.

We are particularly concerned with the proposed change in the administration of the so-called Section 402 program. This is the highway safety program described in Section 402 of Title 23, United States Code. Under this program, the Secretary of Transportation promulgates uniform standards in 18 highway safety areas. One standard, Pedestrian Safety, is a joint responsibility of NHTSA & FHWA.

Three others are the direct responsibility of FHWA. They are (1) Identification and Surveillance of Accident Locations, (2) Highway Design, Construction and Maintenance, and (3) Traffic Engineering Services. All of the other standards are the responsibility of NHTSA.

In making this assignment of authority, Congress made those standards which are directly related to the roadway and engineering decisions related to roads the responsibility of FHWA. We believe that this was a wise decision. The extremely comprehensive highway engineering expertise required to properly administer these standards can only be found within FHWA.

We see no need to alter a program that is working so well. In fact, there is an old saying that goes " if it works so well do not try to fix it". The annual authorization level for the "3½ standards" administered by FHWA is $10 million. ARTBA opposes any legislative proposal which would diminish the role of FHWA in highway safety and commingle these funds with all of the other Section 402 monies. ARTBA firmly believes that the administration of the "3½ standards" should remain a function of the FHWA.

Prison Made Materials

The STAA of 1982 contains a provision extending the long-standing prohibition on the use of prison labor on Federally aided projects to include a prohibition on the use of prison-made materials. This new provision was arbitrarily repealed, however, be the Fiscal Year 1984 Commerce, State, Justice and Judiciary Appropriations Act.

ARTBA strongly objected to this repeal, both on procedural and substantive grounds, but to no avail. The provision is obviously beyond the scope of the appropriations process. It was enacted last year without any referral to the appropriate Public Works Committees with jurisdiction over highway construction.

ARTBA submits that the Federal-aid highway program should rely on the free enterprise system for the procurement of materials to the fullest extent possible. The prison-made materials used in highway construction are, essentially, traffic signs and other safety-related materials. These are produced competitively by mostly small business firms.

These companies are being forced to lay off workers in order to provide jobs for prison inmates. In some cases these firms are being forced out of business entirely since they are being required to compete with unfair competition.

## Life-Cycle Costing

Pavement design should be based on a carefully considered judgement regarding the costs that can be expected over the life of any pavement. Life-cycle costs include both the initial construction costs and the anticipated maintenance and rehabilitation cost over a period of 30 years.

The economic analysis of pavement strategies, based on life-cycle costs, provides for the lowest annual road costs at the highest performance level. We believe that Federal law should encourage life-cycle costing. In this regard we suggest the following language as an appropriate amendment to Title 23, United States Code:

> "An economic analysis, based upon life-cycle costs, should be made for each Federal-aid project involving initial construction and/or 4R pavement work. The life-cycle procedures should be approved by the Secretary of Transportation. A clear-cut analysis for each project should be submitted along with the plans, specifications and estimate."

## Bridge Formula

ARTBA is concerned that the statutory bridge formula, which governs permissable axle-spacing on heavy vehicles, is badly outdated. This is certainly true with respect to bridges on the Interstate System. Current stringent enforcement of the bridge formula in several states is unnecessarily restricting the use of Interstate bridges by certain types of vehicles, which must now travel with partial loads.

The Federal Highway Administration is planning to conduct a study of this problem which hopefully will lead to a legislative recommendation. Unfortunately the FHWA study will not be completed in time to lead to a legislative solution this year. Therefore, arrangements should be made at this time with FHWA to defer the strict application and implementation of bridge formula limitations, pending the outcome of the proposed study.

## Gasohol Tax Exemption

Turning to a specific revenue matter, we are increasingly concerned by significant loss of Highway Trust Fund revenues resulting from the rapid growth in the sale of gasohol. Gasohol is currently exempt from 5 cents of the 9 cents-per-gallon Federal highway-user charge on motor fuel. The 5-cent tax differential, coupled with exemptions of various amounts at the state level, makes it possible to market gasohol at a price slightly below the price of regular unleaded gasoline.

The rationale for the gasohol tax exemption is at best a very questionable one. It is based principally on the belief that the manufacture of motor fuel from farm products -- principally corn -- results in the conservation of petroleum. This risky assumption is made on the theory that our agricultural resources are limitless. We seriously doubt that the manufacture of gasohol is a proper use for food crops.

Even supposing, for the sake of argument, that this is a worthy endeavor, it should not be supported at the expense of the highway user. Those proposing that gasohol be exempt from the entire Federal motor fuel tax promise that the loss to the Highway Trust Fund will be made up from the general fund. We are very skeptical that such a reimbursement policy will actually take place.

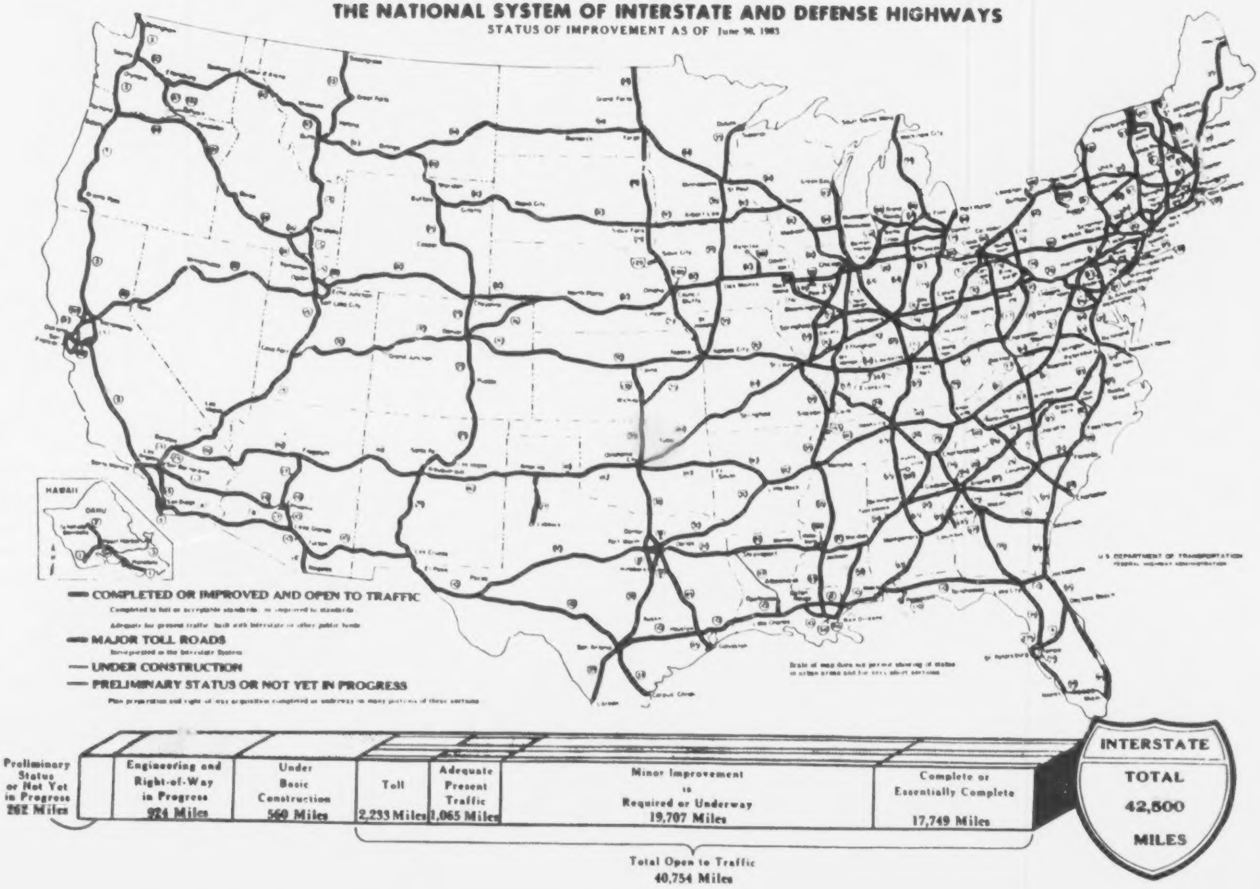
## In Conclusion

ARTBA is highly pleased by the development of the highway program through the implementation of the Surface Transportation Assistance Act of 1982. We must maintain the momentum that has been generated by that Act. Through the cooperative efforts of the Federal, state and local governments and the highway transportation industry this can be accomplished. In that effort, we are particularly concerned that the intent of Congress not be thwarted by any funding delays or impoundments.

We very much appreciate this opportunity to present the views of the American Road & Transportation Builders Association. We will be very pleased to respond to your questions at this time or, if you prefer, in writing at a later date.

## THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

STATUS OF IMPROVEMENT AS OF June 30, 1983


HAWAII
OAHU
COMPLETED OR IMPROVED AND OPEN TO TRAFFIC
Completed to full or acceptable standards, or improved to standards
Adequate for present traffic, built with Interstate or other public funds
MAJOR TOLL ROADS
Incorporated in the Interstate System
UNDER CONSTRUCTION
PRELIMINARY STATUS OR NOT YET IN PROGRESS
Plan preparation and right of way acquisition completed or underway on many portions of these sections
Scale of map does not permit showing of status in urban areas and for very short sections
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
Preliminary Status or Not Yet in Progress 262 Miles
Engineering and Right-of-Way in Progress 924 Miles
Under Basic Construction 560 Miles
Toll 2,233 Miles
Adequate Present Traffic 1,065 Miles
Minor Improvement to Required or Underway 19,707 Miles
Complete or Essentially Complete 17,749 Miles
Total Open to Traffic 40,754 Miles
INTERSTATE
TOTAL
42,500
MILES

Highway Users Federation
FOR SAFETY AND MOBILITY

STATEMENT OF THE HIGHWAY USERS FEDERATION
BY
PETER G. KOLTNOW, PRESIDENT
BEFORE THE TRANSPORTATION SUBCOMMITTEE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
March 20, 1984

I am Peter Koltnow, President of the Highway Users Federation.

The Federation is a national coalition of businesses, industries and individuals with economic and social interests in an efficient and safe highway system. Our members are the major producers and consumers of highway transportation products and services.

The Federation has a long record of dedication to

1776 Massachusetts Avenue, N.W., Washington, D.C. 20036-1993 (202) 857-1200

preserving and improving highways in this country. We appreciate this opportunity to express our concerns over the direction of our nation's highway program.

In my statement before the Subcommittee I wish to discuss three points:

- the need for an orderly program to complete the Interstate System;
- the need to reaffirm the nature and basis of the Federal-aid program, and adherence to the user charge principle;
- and finally, the need to envision the kind of federal-aid program that will meet the nation's transportation needs for the balance of the century.

## Completion of the Interstate System

The major stumbling block in completing the Interstate System is the failure of Congress to deal firmly and decisively with the Interstate Cost Estimate (ICE). The result is that orderly, long-term progress, the hallmark of the highway program, has ended. Unless Congress changes the rules, this destructive "stop and go" process is apt to worsen. Public support for the program would inevitably weaken.

The ICE problem can be finally resolved. Future delays in completing the system can be eliminated. The deadline for withdrawals from the system is past. The final cost to complete the designated system can be calculated. It is possible to establish a process to permit the Secretary of Transportation to update the estimate administratively.

To accomplish these steps, we recommend the following changes:

- Approve a final estimated cost to complete the Interstate, subject to minor refinement to reflect final design costs.
- Rescind the requirement for biennial cost estimate approval by Congress, and direct the Secretary of Transportation to make annual adjustments in the cost to complete based upon work completed during the year. Use these adjustments to set annual apportionment factors for the states. The Congress could retain authority to amend or disapprove the Secretary's estimate.
- Rescind the one-half of one percent minimum apportionment to states that have completed initial construction projects eligible for Interstate construction funds.
- Provide additional incentive to complete the system at an early date by increasing Interstate discretionary funds from $300 million to $400 million. States

capable of completing initial construction projects within two years should be given preferential consideration in the allocation of discretionary funds.

Approval of a final estimated cost to complete the Interstate would demonstrate the desire of Congress to keep its part of the compact with the American public to complete the Interstate System.

The ICE delay has set back the Intertstate program. Funds that could have -- and should have -- been obligated in the first half of Fiscal Year 1984 may now not reach contract stage until after Fiscal Year 1985 begins. Annual obligation ceilings control new authorizations as well as expenditure of funds left over from prior years. Projects which cannot be let to contract in 1984 displace an equal dollar amount of projects planned for 1985.

We urge you to avoid this domino effect of delayed projects by increasing the 1985 Trust Fund obligation limit now, and future obligation limits as appropriate over the next two to three years, until the states have regained the time lost through the 1984 ICE delay.

Although we think that correcting the ICE process once and for all is the only "must" highway legislation this year, we see no reason why certain other legislative changes cannot be made.

Taking a longer view of the Federal-aid highway program, there is a need to reaffirm -- or restate -- the appropriate Federal role. Highway users have understood that role to be one of stimulating the capital investment in a limited set of roads of national importance, based on user charge funding.

Consistent with this, highway users gave Congress strong support for the highway authorization levels embodied in the 1982 landmark legislation. They understood the problem and were willing to pay for the solution. Highway users were prominent for years preceding STAA 82 in building public support for the need to reinvest in our streets and roads.

That strong support is apt to erode, however, in light of three trends evident in recent Congressional action: funding projects of chiefly local interest, providing increasing funds off the Federal-aid road systems, and diversion of highway user taxes.

## Local Project Funding

There is an accelerating trend of fully funding projects of local interest only, out of the Federal Highway Trust Fund. This runs counter to the underlying rationale for federal involvement in highways: the need for interconnected road systems handling traffic of more than local nature.

The Federal Government has appropriately been a partner in this effort - sharing the costs, sharing in system designation, and taking only a limited role in defining annual programs - traditionally and properly a state responsibility.

The majority of citizens and taxpayers who support the nation's highway program are ill-served by the growing trend toward Federal designation of specific local interest projects.

Local interest projects are best defined by state and local officials who are in a position to judge their merit in relation to a state's total road program. Defined individually at the Federal level - by Congress or the Administration - is destructive to the time-tested Federal-State partnership, and distorts sound priority planning.

Certainly if there is a substantial need for such projects, it should be reflected in some degree of state or local matching. A nationally-selected and paid-for project can only be justified as a specially meritorious demonstration, and even in such cases, matching will help.

If there is a need for a large number of demonstration projects, perhaps they would best be grouped in a special category with a stipulated level of total funding. As it stands, a long list of nationally-defined projects can drain significant resources from the basic Federal-aid program of aid to important road systems.

## Growth in Use of Funds Off-System

The strength of the Federal-aid Highway Program has been its concentration on limited systems of roads of national interest. The degree of federal interest in particular road classifications has been defined by such things as authorization levels and matching requirements.

In recent years there has been an increase in funds spent on road and bridge reconstruction off the federal-aid highway systems. As worthy and substantial as these off-system needs may be, spreading limited federal funds in a thin layer over all public roads isn't a good idea.

The future federal-aid highway program should continue to focus on limited systems of important roads. National road improvement goals will never be achieved if the Federal-aid road program becomes merely a grant program available for all roads and bridges, regardless of their national importance.

## Division of Highway User Funds

The third trend eroding highway user support is the serious weakening of the user charge principle through diversion to mass transit -- particularly new rail transit starts. There is little tangible evidence that most new rail transit systems proposed in a number of jurisdictions will effectively serve the growing transportation needs of those communities. They certainly will not reduce the need for streets and highways. Three hard facts emerge from the 1980 census:

- American cities are continuing to decentralize. Jobs and people are moving to the suburbs and beyond. For the first time in our history rural population is growing at a faster rate than urban population.
- America's workers are increasingly commuting to jobs in the suburbs, or even to rural worksites instead of heading to central business districts of cities.
- In spite of massive transit investment in the 1970's, transit use for commuting, especially in major rail cities, has declined.

Added to the fact that we are attempting to serve post-1980 needs with 1940 transit technology, there is little evidence that these new rail starts could possibly pay their way even under the most optimistic projections.

It is shortsighted to put in place transit systems which will not serve the nation's future needs and which can survive only on continuing massive subsidies for both operations and construction.

The Federal-aid highway program, paid for by highway user fees, provides a federal contribution of 4¢ per person-trip. Mass transit rides are subsidized by the Federal Government to the extent of about 56¢ per person-trip.

Ironically, more support comes from the Highway Trust Fund for each transit rider than for each auto rider.

Three steps that can be taken to reduce the destructive consequences of this diversion for transit subsidies:

- The use of urban system (Section 142(a)(2) funds for transit should be eliminated. These funds were initially made available for transit only until an "assured funding" source for transit was established. The Mass Transit Account of the Highway Trust Fund clearly constitutes that "assured funding." Therefore, there is no legitimate reason to continue this diversion of revenue from taxes on highway users in the face of documented highway needs far in excess of available funds.
- Congress should broaden the permissible use of the "penny subsidy" to transit from motor fuel taxes. During initial discussions of the penny subsidy, it was understood that state and local governments would be able to use these funds for highway projects when they had no unfunded local transit needs. Although not part of the final bill, this point of view still has much merit: every recent study shows that highway needs far outstrip either the public's ability to fund entirely or transit's measured needs. We urge that this change be made in such a way that priority treatment be assured for transit-serving roadway projects as discussed below.

o Transit account funds should be made available for use in a wide variety of highway projects that are both essential and beneficial to safe and efficient transit operation.

Three-quarters of all transit passengers ride on buses which are greatly affected by the quality of road service. Outside of New York City, about 90% of all transit patrons use rubber tire transportation. The contributions of good roads to better transit service are well known. Congress should specifically permit the expenditure of Section 3 funds on cost-effective projects, including:

- traffic control strategies which expedite the flow of transit vehicles;
- reinvestment in the physical strength of the road to assure that roads are able to serve heavy transit vehicles;
- interchange improvements which enhance transit service;
- and expansion of flexible and innovative transit operations specifically related to buses and other ridesharing systems, and the special facilities they may need, to serve geographically dispersed populations.

By 1986, permissible uses of the billions of dollars generated by the "penny subsidy" must be further expanded. The need for such flexibility is compelling. Recent CBO estimates project that by 1986 the Trust Fund's Highway Account will be inadequate to support the authorized program. At the same time, the expected income to the Transit Account will exceed authorized expenditures. This excess will be about $400 million in 1986, and will increase at a pace of about $400 million per year through at least 1990 (Figures 1 and 2).

In testimony before this committee last month, the CBO suggested the "penny subsidy" as a source of revenue for the highway program. We support this recommendation and we urge Congress to consider it before considering new highway user taxes.

## America's New Realities

As the current period of authorizations comes to a close, one of the most challenging tasks before the Congress will be to envision the kind of Federal-aid road program that will meet the needs of the last decade of the 20th century and the early portion of the 21st. We're now in the final stages of a highway program dominated by completion of the Interstate highway system, conceived by Congress in 1944, a full 40 years ago.

Sweeping changes are shaping a new America, with mobility needs quite different from those of the past. These changes call for new thinking about surface transportation investments.

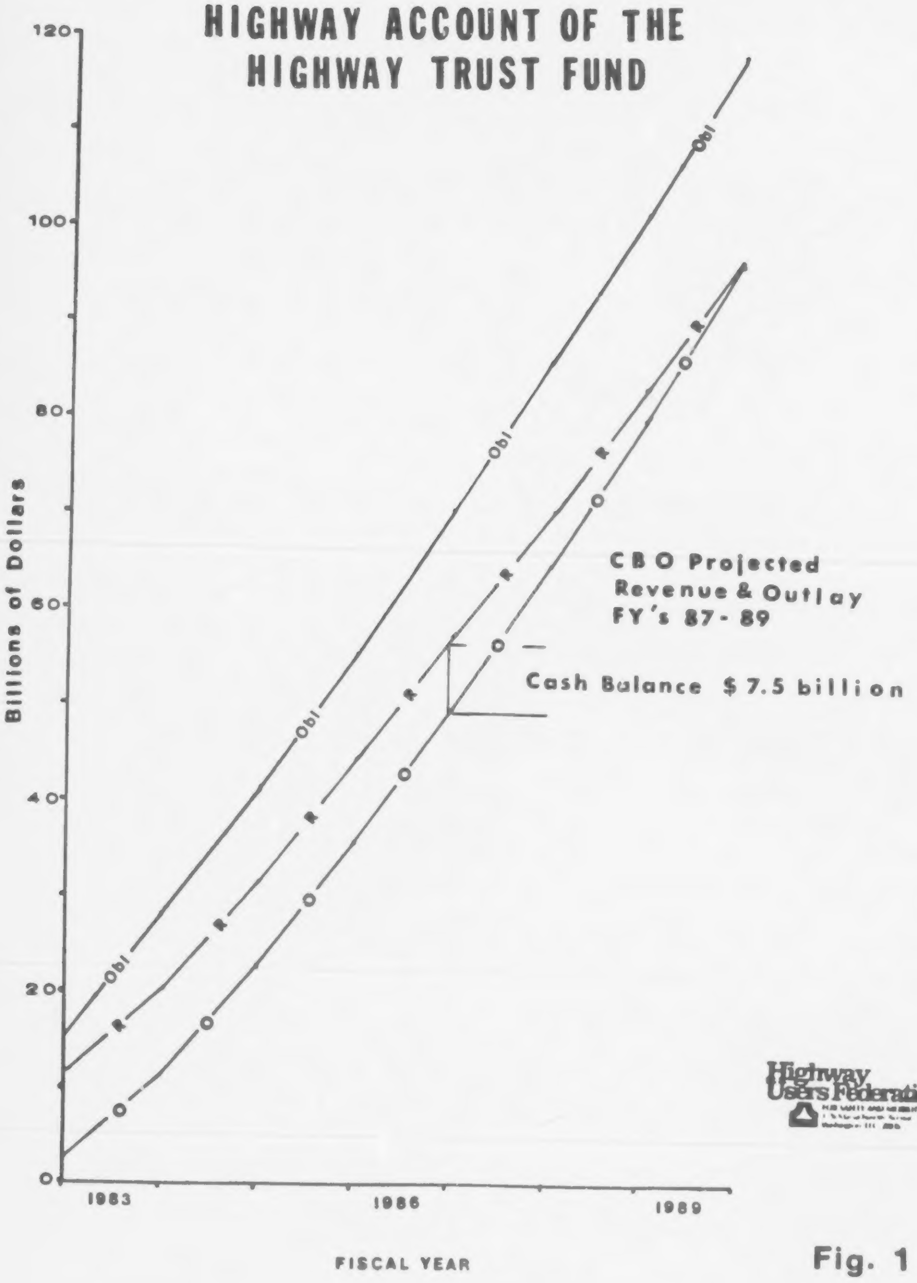
We're seeing unprecedented urbanization of rural areas: eighteen states experienced growth in rural populations in the last census. The census indicates that for the first time in history, the rural population of the United States is increasing faster than the urban population.

We're witnessing a rapid and increasing growth in employment in the fringes of urban areas and outside metropolitan areas.

These and many other changes suggest that some of our traditional highway and transit solutions may not adequately serve the needs of the future.

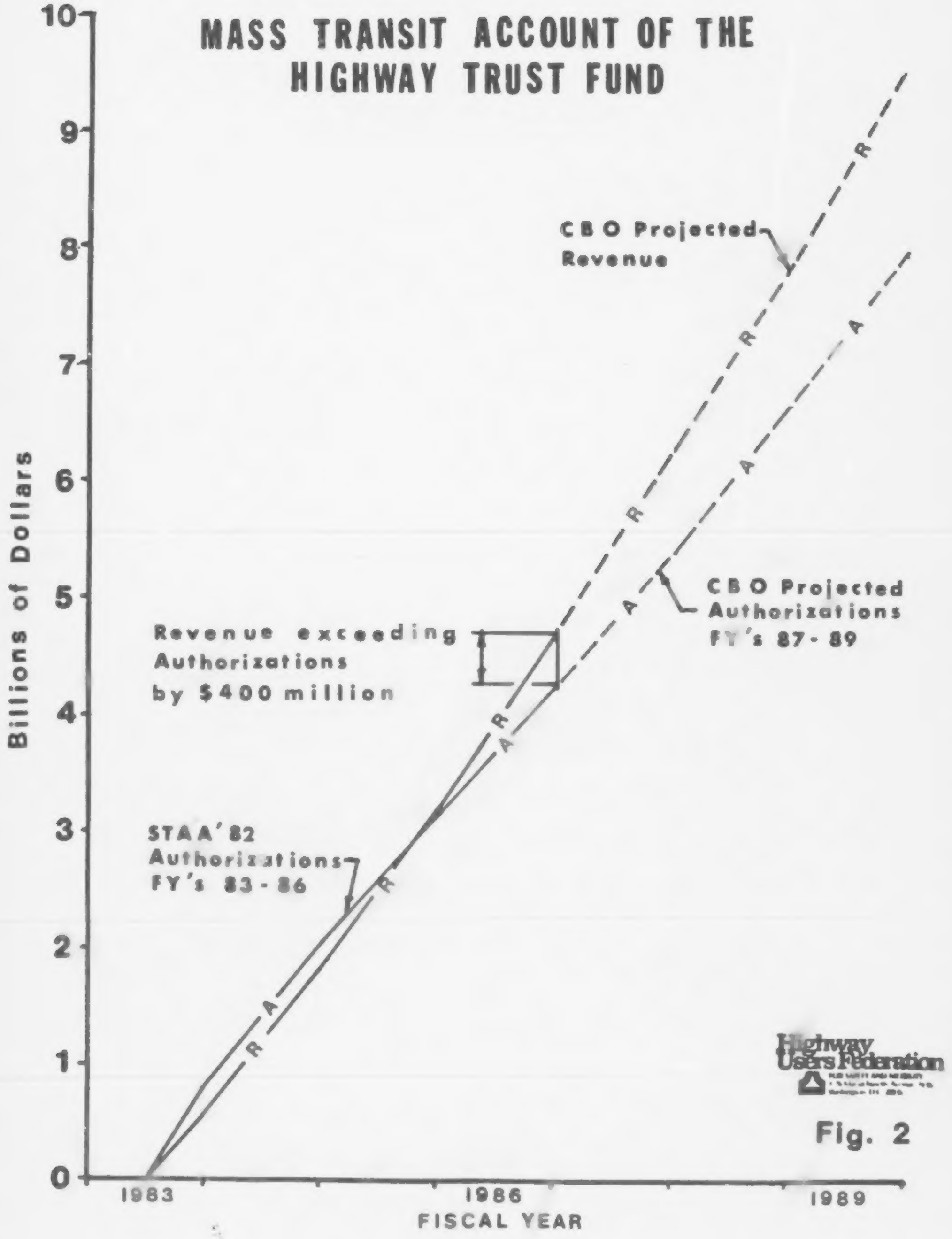
New program goals must be carefully defined and objectives established in a manner easily understood by highway users. A financial strategy to accomplish these goals in an orderly manner must be developed with user participation. This can be the basis for continuing public support for the program. These new realities need to be built into the discussion of the long range direction of Federal-aid highway and transit programs as these are debated and decided by Congress over the next few years.

## HIGHWAY ACCOUNT OF THE HIGHWAY TRUST FUND



Highway Users Federation

Fig. 1



MASS TRANSIT ACCOUNT OF THE HIGHWAY TRUST FUND

Fig. 2

Center for Auto Safety
2001 S Street N.W., Suite 410
Washington, D.C. 20009
(202) 328-7700

TESTIMONY OF

GERALD DONALDSON, PH.D.
HIGHWAY SAFETY PROJECT

BEFORE THE

TRANSPORTATION SUBCOMMITTEE

OF

THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

CONCERNING

THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

MARCH 20, 1984

My name is Gerald Donaldson. I work in highway safety at the Center for Auto Safety here in Washington, D.C. The Center is a membership, not-for-profit, public-interest/consumer advocacy organization founded fifteen years ago by Ralph Nader and Consumers Union. We are dedicated to reducing our national highway losses due to unnecessary vehicle and road defects.

Mr. Chairman, our national highway accident losses of lives and property is a constant tragic reminder that our system of roads and bridges even in 1984 is, in the main, of substandard design, replete with hazardous features and conditions, and reflecting a history of poor policy choices. In particular, our national bridge maintenance, restoration, and replacement problems are of the most staggering proportions. Per surface mile of travel, bridges by far have the highest accident and fatality rates on our nation's network of roads. Our annual losses of lives hovers around a reported 900 dead (NHTSA. Fatal Accident Reporting System, 1979-1982), and there is little doubt that this figure represents severe underreporting of the real bridge-related accident picture in the United States. This is due not only to state accident reporting systems which generally are still fairly primitive, but also because most on-site accident investigations are performed by state or other police who simply do not understand the complex dynamics of accident causation in the highway environment. This shortcoming is particularly serious when attending officers are dealing with a bridge and its approach roadway, and the relation-

-ship they have for accident potential.

Accidents that are bridge-related are recognized by all safety engineers as consisting of the bridge deck proper and its immediately approaching roadway. The relationship of the overall design of the approach roadway to the design of the bridge deck proper, and as further controlled by the quality of traffic engineering guidance, is the chief condition determining bridge accident experience.

For example, a classic high-accident profile of a bridge and its approach roadway consists of a section of road which evidences few really deficient highway design elements -- curvature, both horizontal and vertical; lane width; superelevation (i.e., "banking" on curves); and other important features such as the presence and width of shoulders are, let us hypothesize, fairly good throughout most the highway for many miles prior to a bridge. A roadway such as this preceding a bridge deck will consequently have a generally narrow speed differential on the part of the vehicles using it and a relatively low or moderate accident rate.

However, immediately prior to encountering the bridge deck, the driver often meets an unexpectedly severe horizontal curve, much worse than those on any segment of the road preceding the immediate bridge approach. The curve often will have inadequate superelevation. After the severe curve, the road will narrow quickly from, for example, eleven-feet wide lanes on a two-lane, two-way minor arterial to two nine or even eight feet wide lanes on the bridge deck itself, or even, in some instances, to a one lane bridge. Oftentimes, the roadway's shoulders, even themselves not of full width per design standards, will stop abruptly at the bridge deck and will not be carried across.

In these classic circumstances, reflecting the design condition of tens of thousands of our country's bridges, accidents occur with a high frequency and a predictable regularity. These accidents as often as not will involve the vehicle running off the road immediately prior to the bridge deck itself. A common occurrence in such accidents is the vehicle failing to negotiate the unexpected severe curve, striking a guardrail which often is a substandard deployment or which has not been properly maintained, then breaking through or ramping the barrier installation, and, of course, finally encountering what are the often lethal consequences of leaving the roadway immediately prior to a bridge deck: plunging to the area below the bridge, whether creek, another roadway, or railroad tracks; striking a tree, the leading cause of death in the U.S. for single-vehicle fixed-object accidents; or overturning in an adjacent drainage ditch with steep slopes.

Is this a bridge accident, Mr. Chairman, or just another roadway accident? Here are the hypothetical facts: the severe curve was present as a switchback for negotiating, for example, a stream bed with steep banks over which the bridge was constructed. The road was upgraded years ago to a better design with somewhat wider lanes and shoulders, but the immediate approach remained on the same right-of-way because the bridge was judged "still serviceable." A wider roadway therefore funnels into a much narrower bridge deck left in place as it had been constructed in, say, 1927. The guardrail system is twenty-years outdated, the posts have sunk and, moreover, the road has been overlayed once since the barrier was installed in, let us say, 1962. The barrier face is now only 18 inches above grade. The barrier was installed in order to prevent run-off-the-road accidents at this high-accident location and was later, perhaps in 1975, transitioned into the bridge wingwall or parapet because of the extraordinary rate of accidents on this bridge which involved vehicles hitting the blunt leading edge of the parapet and bridge rail system.

Our hypothetical scenario of facts and events is the context for our hypothetical accident involving running off the road on the severely-curved immediate bridge approach. The passenger car that we stipulate here has broken through the barrier system seventy-five yards from the actual bridge deck. The vehicle rolls end over end down a steep embankmment and comes to rest bottom-up in the streambed.

A state trooper arrives on the scene. He fills out his accident report form. When he gets to the section describing the road conditions surrounding the accident, he ticks off "curve," "ran off road," and then provides a very brief narrative which describes the vehicle breaking through a guardrail and overturning. (He of course also notes that conditions were "dry" and the cause of the accident was "driver error.")

The bridge is not mentioned. Yet there is not the slightest question for any savvy safety engineer that the causal context for this accident is determined entirely by the approach roadway/bridge design relationship. If there were no bridge here, this section of road would not have these severe design and operational deficiencies.

So this accident goes into the state accident reporting system as "single-vehicle, ran off road, struck guardrail, overturned." This occurs time and time again, Mr. Chairman. This is why the Center believes that our national bridge-related accident problem is much more severe than even is nationally reported, perhaps by a factor of two or more with regard to fatalities alone. Even the Federal Highway Administration (FHWA) is intensely aware of this reporting discrepancy concerning bridge accident totals. For example, the FHWA 1981 Highway Safety Stewardship Report stated that the fatal accidents reported as involving guardrail probably consist of at least half at bridge approaches. This guesstimate alone augments the fatal accident total at bridges to about 1700 lives lost per year. And we think that even this is a very conservative estimate as a final number.

It is unfortunate, Mr. Chairman, that these classic circumstances for bridge accidents that I have attempted to present above in some analytical detail, are perpetuated and even sanctioned by our present national bridge repair effort pursuant to 23 U.S.C. §§ 116 and 144. Design deficient bridges and their substandard approach roadways are often restored and rehabilitated with Federal matching funds without appropriate upgrading of the overall roadway/bridge design. The FHWA, and even the most recent General Accounting Office report on off-system bridges (RCED-84-66, December 8, 1983), advocates leaving substandard designs for bridges in place as executed often more than fifty years ago and attempting to compensate partially for the operational inadequacies of these bridges and their approaches by increasing traffic controls such as signing and pavement delineation. Under some circumstances, these can be helpful in ameliorating accident frequency and severity, Mr. Chairman, but in the main this is a lame attempt at rationalizing an inherently defective structure which is unsafe and obsolete for the traffic burden it sustains. Traffic engineering techniques cannot negate the accident potential of these high-hazard bridge locations.

This approach to leaving deficient bridge designs in place, particularly on our non-Interstate Federal-aid and off-system roadways, is part of the overall Resurfacing, Restoration, and Rehabilitation strategy which began formally ten years ago with the amendment of the term 'construction' in 23 U.S.C. § 101(a). That strategy has consistently foresworn adequate geometric design upgrading as a requirement for Federal aid in favor of maximizing the number of miles of restoration of existing antiquated designs. Often this effort consists of nothing more than simple resurfacing of an existing facility, sometimes with as little as $^{3}/_{4}$" of overlay subsidized preponderantly by Federal matching funds. The bridge aspect of our national restoration effort has come along in tow and has had the same type of abuse. Overlaying existing design-deficient bridge decks and roadway approaches only exacerbates an already severe accident problem: a new smooth riding surface usually increases accidents and accident severity because it promotes increased average running speeds by the vehicles using the road and, ceteris paribus, higher average running speeds ensure a higher accident rate.

Moreover, these bridges and their accompanying roads are programmed in many states for predominantly resurfacing work without any consideration of probable future traffic needs. The FHWA's 1982 Division Administrator survey confirmed what the Center had learned piecemeal since 1975: many states are making no traffic projections in planning restoration work on their bridges and roads, despite the fact that this is one of the pivotal requirements of the entire Federal-aid Highway Program.

> The Secretary shall not approve plans and specifications for apropposed projects on any Federal-aid system if they fail to provide for a facility (1) that will adequately meet the existing and probable future traffic needs and conditions in a manner conducive to safety, durability, and economy of maintenance . . .

23 U.S.C. § 109(a)(1).

This irresponsible, cost-ineffective approach to highway and bridge restoration work, Mr. Chairman, has come about largely because the states engaged in a massive and persistent deferral of routine maintenance and repair work on our roads and bridges throughout the fifties and sixties in favor of allocating their funds to new roads, with a particularly strong emphasis on obligating the 90% Federal funding available for the Interstate construction program. During this era, the matching funds for the U.S. Primary and Secondary road systems, including their bridges, was only 50% Federal. Bridges especially were allowed to continue to deteriorate, both structurally and functionally, despite the fact that their renewal and upgrading came due during this period. In fact, Mr. Chairman, it was the post-war twenty years or so when a massive renovative effort was clearly needed on our older bridges off the incipient Interstate system. Most of the bridges that we now know to be long past their useful life were due for improved maintenance and reconstruction from 1950 to 1970. But, for the most part, they received only minimal band-aid work, if even that.

The basic maintenance by the states of our nation's bridges, pursuant to 23 U.S.C. § 116, is one of the keys to understanding why it has become necessary for the Federal government to step in at such a late date and attempt to infuse massive amounts of funds into more than 500,000 bridges. Routine maintenance on our Federal-aid bridges is even now not performed adequately or in a timely manner. The Center's review of fiscal year maintenance reports over the past three years show a clear pattern of abuse by many states which are repeatedly cited by their Division Administrators for the most basic shortcomings in their bridge maintenance programs. Since most Division Administrators are chary of openly criticizing their respective states, one can be sure that the situation is considerably worse than reported.

However, despite this chronic failure by many states to perform satisfactory maintenance on their Federal-aid bridges, no Division Administrator fails to certify his state as meeting the intent of § 116. In fact, Mr. Chairman, the FHWA has even intentionally misconstrued the clear Congressional language of this provision in order to avoid the possibility of any Division Administrator finding his state out of compliance. Whereas § 116(c) states that:

> If at any time, the Secretary shall find that any project constructed under the provisions of this chapter, or constructed under the provisions of prior Acts, is not being properly maintained, he shall call such fact to the attention of the State highway department. If, within ninety days after receipt of such notice, such project has not been put in proper condition of maintenance, the Secretary shall withhold approval of further projects . . . until such project shall have been put in proper condition of maintenance. . .

Emphasis supplied.

Compare this unambiguous statutory command with the language of the FHWA's Federal-aid Highway Program Manual entry of Volume 6, Chapter 4, Section 3, Subsection 1 (FHPM 6-4-3-1), Transmittal 269, June 14, 1978, which presently governs the Federal management of the state's maintenance responsibilites under 23 U.S.C. § 116:

> (1) Division Administrators
> (a) Initiate letter to the State describing deficiency or unsatisfactory condition and request remedial action within 60 days unless immediate corrective action is required due to hazardous conditions.
> (b) At the end of 60 days, request the Regional Federal Highway Administrator to advise the state to take remedial action within 30 days.
> (c) At the end of 90 days, request the Administrator through the Regional Federal Highway Administrator to authorize withholding project approval . . .

Emphasis supplied.

It is clear that the effort here is to inflate substantially the amount of time before any withholding could be effected, directly in contravention of express statutory language.

But this is only one of the inadequate facets of the Federal management of the states' maintenance requirements. Not only do a few Division Administrators fail even to report on their states' compliance with the National Bridge Inspection Standards (NBIS), as called for in Section 7 of FHPM 6-4-3-1, but, further, their bridge maintenance evaluations are thoroughly *ad hoc* -- there are no maintenance guidelines issued by the Federal Highway Administration which uniformly set forth measures of performance for adequate state maintenance of highways and bridge structures. These maintenance standards were prominently called for by the General Accounting Office in its 1977 report entitled, *Improving and Maintaining Federal-aid Roads -- Department of Transportation Action Needed*, CED-77-31, February 2, 1977:

> Although [Federal] Highway Administration officials acknowledge the deteriorating condition of the Nation's highways, Federal funds have never been withheld from a State for inadequate or improper maintenance. The Highway

> Administration has responsibility for insuring proper maintenance of Federal-aid highway projects; however, it has not prescribed standards or guides for the States' use in maintaining those highways, nor has it provided criteria for field engineers to use in determining the adequacy of State maintenance. Thus, there is little uniformity among field engineers when appraising the adequacy of States' maintenance efforts, and the division administrator must base his annual certification that the highways are properly maintained on the subjective judgments of many engineers who inspect in a variety of ways.

At 6. Emphasis supplied.

This GAO call for uniform measures of evaluation by Federal officials was repudiated by the FHWA. Although the agency did issue an "FHWA Maintenance Review Manual" in January of 1979 (rev. ed. 1980) as an attempted response to GAO criticism, this manual contains no uniform, prescribed standards for maintenance inspection of roads and bridges. In fact, the FHWA goes out of its way in this "manual" to make certain that the agency will continue the status quo approach to judging maintenance deficiences, that is, "we know 'em when we see 'em." The basic guidance for the Division Administrator in fact boils down to a single sentence:

> There is no substitute for good judgment and an inspecting FHWA engineer should evaluate all needed repairs and other factors which he feels an adequate and efficient maintenance organization could reasonably be expected to perform.

FHWA Maintenance Review Manual, at 7.

And in the course of discussing bridge maintenance on p. 66, the FHWA maintenance guide specifies the use of the American Association of State Highway and Transportation Officials' (AASHTO) Bridge Maintenance Manual, 1976. However, this manual is not part of the approved FHWA standards, policies, and guides contained in 23 CFR Pt. 625, nor has its contents ever been evaluated for

for adequacy through rulemaking. Once again, therefore, use of even the most rudimentary standardized maintenance evaluation is at best only hortatory and not required by the FWHA as a condition of Federal certification of compliance by the states with 23 U.S.C. § 116.

Similarly, the FHWA's Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges, January 1979 (rev. ed., February 1979), specifies at the start that the Federal coding system which records the inventorying, inspection, appraisal, posting/closing, and other evaluation categories for the nation's bridges, must use the AASHTO Manual for Maintenance Inspection of Bridges (latest edition, 1982), even though this manual is not incorporated by reference as an approved standard in the Code of Federal Regulations.

Even more disturbing is the tendency for the FHWA to look the other way when deterioration continues on the states' bridges that were constructed with Federal-aid, deterioration which should have been caught early on by vigorous Federal management and oversight of the states' maintenance programs. In a report to the Congress in 1981, the GAO, in Deteriorating Highways and Lagging Revenues: A Need to Reassess the Federal Highway Program, CED-81-42 (March 5, 1981), again asserted that:

> Federal legislation and FHWA maintenance policies need to be strengthened to help ensure that the nation's highways are preserved. . . However, FHWA has misinterpreted its responsibilities for requiring timely preventive maintenance. It has interpreted the law as authorizing sanctions only when highways become unsafe or unserviceable rather than for failure to perform routine preventive maintenance on a continuous basis.

At 49.

The GAO also found in the course of its investigation that the FHWA had long ago resolved not to apply Federal sanctions until a road or bridge becomes completely unsafe or unserviceable. At 30. The net effect of this unwritten agency policy, Mr. Chairman, is Federal approval of the systematic deferral of the states' maintenance responsibilities under 23 U.S.C. § 116, thereby guaranteeing that the state will be able to qualify for Federal monies under various road and bridge construction and rehabilitation programs at a much higher cost. Instead of acting in its assigned role as steward of the Federal-aid highway program with the twin goals of protecting the past and continuing Federal investment in our roads and bridges, and of enhancing highway safety, the FHWA has instead chosen to subsidize the states' irresponsible approach to their statutory maintenance obligations by foisting the far higher costs of restoration and replacement onto the Federal Trust Fund.

> FHWA officials acknowledged that by the time a highway becomes unsafe or unserviceable and thus subject to Federal intervention via the sanction process, deterioration may be well advanced. They agreed that by then it probably would be too late to accomplish the more economical highway preservation strategies, making more intensive and costly improvements necessary. In some cases, extensive reconstruction . . . or total reconstruction may be the most appropriate improvement.

CED-81-42, at 51. Emphasis supplied.

And:

> [D]ivision offices have . . . listed significant maintenance deficiencies that either already had or potentially could have led to earlier than normal rehabilitation or reconstruction needs.

Id.

The GAO concluded that, "[t]he Congress intended that the roads be kept in good condition and that the states repair them before they become unsafe or unserviceable." CED-81-42, at 55. This legislative intent, however, has been systematically subverted on our nation's Federal-aid roads and bridges, a vio-

-lation underwritten by the Federal Highway Administration's improper interpretation of the law and the inept management of its statutory responsibilities, a violation sustained from year to year at exhorbitant cost to the nation.

Turning now, Mr. Chairman, to the national bridge program of 23 U.S.C. § 144, the Center's investigations have uncovered inadequate compliance across the board with Congressional intent. In addition, the Federal management guidance on how to adjudge the condition of a bridge and the criteria for assigning weight to the various categories of deficiencies are too strongly biased towards maintaining structural integrity and thereby underrates traffic safety defects and the need for their correction. I shall return to this latter point later on in my testimony.

Our research over the past two years has revealed the proportions of non-compliance with Congressional intent governing even the most basic features of the national bridge improvement program. These essentially are: completion of both the on- and off-system inventories of the nation's bridges in accordance with the regulatory criteria of 23 CFR Pt. 650 and the proper appraisal and reporting on a two-year cycle of inspection of the condition of each bridge that qualifies for Federal funding. The proper appraisal and inventory of the nation's bridges further comprises the use of qualified bridge inspection personnel and the rating of a bridge in terms of, generally speaking, its structural integrity and functional adequacy.

However, we have found that as of last summer, the off-system initial inventory of the nation's non-Federal-aid bridges is still not complete. This is true in many states. One state, for example, has only about 58% compliance with inventorying its off-system bridges. A number of other states are still only in the 80% or 90% brackets of completion. Obviously, Mr. Chairman, we cannot have an efficient bridge program which identifies the hundreds of thousands of off-system bridges for timely restoration or replacement if we do not have even an initial logging and appraisal of these structures. How many lives are lost or unnecessary injuries and property damage sustained at high cost because of the failure of many states to comply with a Congressional directive stated more than five years ago? 23 U.S.C. § 144(c).

Similarly, many states still are unable to abide by the two-year cycle of reinspection established by the FHWA in 23 CFR Pt. 650 pursuant to 23 U.S.C. § 116(d). In general, Mr. Chairman, the failure to observe this regulatory threshold increases as one descends in functional classification of the road system on which the bridges stand. The worst record of non-compliance exists at the county and local (city or township) levels, although, in some states, a persistent failure even on the U.S. Primary and Secondary systems is reflected in FHWA data supplied to us several months ago.

The recent response of the FHWA to these chronic violations of the two-year inspection cycle was simply to amend them away by introducing a proposed "flexible" approach which would allow longer inspection intervals for many bridges, especially for those newly rebuilt or rehabilitated. In some instances, this interval, permitted on a case-by-case basis by the state's Division Administrator, would be substantially longer than two years. In some cases, as long as four-year intervals would be permitted. 48 FR 2550, FHWA Docket No.

82-18.

Mr. Chairman, we cannot stress strongly enough the inadvisability of this agency maneuver to paper over chronic non-compliance with Congressional intent as implemented in 23 CFR Pt. 650. Under the guise of the _prima facie_ reasonableness of flexibility as against rigidity of inspection time-frame, the agency is attempting to introduce a scheme which, given the verified history of maintenance abuses by the states and of inadequate Federal oversight, will guarantee increased deterioration of the nation's bridges. Even new bridges need frequent inspection to ensure that the Federal investment in structural integrity and safety is being preserved. In fact, Mr. Chairman, frequent inspection by competent personnel of all bridges, new or old, is the most important controlling aspect of the entire national bridge replacement and restoration effort.

With regard to those personnel, the Center also has found that a number of states, counties, and cities are using unqualified inspectors for their bridges. The Federal qualifications for bridge inspectors are set forth in 23 CFR § 650.307 and are very stringent -- and so they should be. Even so, bridge inspections are widely known to be fairly cursory for the most part and highly subjective. This was amply illustrated recently in the GAO report to Senator Sasser, _Better Targeting of Federal Funds Needed to Eliminate Unsafe Bridges_, CED-81-126, August 11, 1981. The GAO found that different sets of bridge inspection officials would rate bridges substantially different. One set, for example, would rate a bridge as acceptable for unrestricted travel, whereas another set would appraise the structure as needing posting for lower weight limits.

And when this posting is needed, Mr. Chairman, it often either is not done, or the postings of lower weights or more restricted use are removed. By our count, more than 50,000 bridges currently reflected in the national inventory have been appraised for posting of more restrictive use and have not been so posted. We are certain, moreover, that many hundreds of additional bridges have been claimed to have been posted, but, in fact, no posting is in evidence. Lastly, we believe that many more postings are required than are entered on national appraisal forms, but, due to various factors, some of them political, these bridges are not rated as they should be for more restrictive use.

As I promised earlier on p. 13 of my testimony, Mr. Chairman, I would like now to turn my attention to a document which, in a very real sense, is the guts of the national bridge program -- the FHWA's Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges. I have saved this area of consideration for last because it permits me to return to the crucial issue of safety with which I began my testimony.

As I indicated at the start, perhaps 1700 or more persons a year die because of inadequate bridge and approach roadway design deficiencies which, in many cases, are left uncorrected when Federal funds are expended to restore a bridge. As against this, the FHWA estimates that perhaps 12 persons a year have been killed due to complete structural failure, that is, catastrophic bridge collapse.

Yet, despite the tremendous press attention given to the collapses of the Silver Bridge, the Skyway Bridge, and the Mianus Bridge, our accident toll due to catastrophic bridge failure is exceedingly low.

But it is this aspect of bridge "safety" that has been concentrated on the most, even by the Federal government and the Congress.

Mr. Chairman, far more persons die each year in this country on the bridges that do not fall down. Catastrophic bridge collapse is a terrifying prospect with tragic consequences. However, the chances of its occurring, even with the current abuses of the maintenance, inspection, and restoration of our nation's bridges, are exceedingly small. Nevertheless, because complete bridge failure also means an instant loss of mobility or, at a lesser level, posting for lower weights and volume of traffic can substantially impair mobility, our national bridge program has been excessively preoccupied with maintaining and enhancing mobility at the cost of allowing defective road and bridge design features to continue to take lives even after Federal funds have been invested in repair. Too often do we see states attempting unwisely to stretch dollars for structural repairs in a manner which underwrites continuing high accident losses on their bridges.

And this excessive bias towards mobility and structural integrity at the expense of safety is inherent to the very system of appraisal required by the Federal government in the recording and inventory guide. Not only do the percentage weightings of the Sufficiency Rating Factors undervalue operational safety-related aspects of bridge design, but the safety-related factors themselves are even further demoted by being mixed with structural aspects. A close examination of the pie-graph on p. A-2 of the current recording and inventory guide will show how far down the scale deck design and operating safety are placed by the FHWA. The confusion here is further compounded by having the word "safety" appear only in the largest slice of pie, the 55% weighted segment which deals only with structural adequacy. A glance at the next sized pie-segment reveals that the really important area of operating safety -- described as "functional obsolescence" - is given only 30% weighting for an overall sufficiency rating, and this 30% category has approximately half of its entries consisting of elements not directly related to actual on-deck operating safety.

This disvaluing of traffic safety and, hence, improved deck cross-section design, is built into the rating approach early on in the guide. Items 58 through 65 deal predominantly with the physical integrity of the bridge structure and set forth a rating scale from 0 through 9 for evaluating each item. A rating of "4" on this scale is accompanied by a recommendation for major rehabilitation. In other words, the structural condition of the bridge is not to be left as it is, but must be upgraded.

But when we turn to the operational safety aspects of a bridge as controlled by deck design features, that is, those design elements which literally determine the safety of the travelling public, such as Deck Geometry (Item 68) and Approach Roadway Alignment (Item 72), we see that these are governed by a rating system of 0 to 9 that contains a different scale of value judgments: whereas a "4" on the major structural aspects of a bridge merits programming for reconstruction, a "4" for substandard deck and approach roadway geometry is asserted to be a "Condition meeting minimum tolerable limits to be left in place as is."

Limits tolerable to whom? Certainly not to the unsuspecting travelling public who die and are injured on so many of these design-defective bridge decks. That substandard, hazardous designs which unerringly cost enormous losses in lives and property should be considered "tolerable," Mr. Chairman, is in fact an intolerable and outrageous state of affairs. This rating approach has promoted throughout the states a basic philosophy for bridge repairs which is causing many needless accidents. A survey of state practices pursuant to their bridge sufficiency ratings demonstrates that very few bridges are ever reconstructed only in order to ameliorate serious accident experience. In other words, few bridges are replaced only because of "functional obsolescence" interpreted as "unsafe." The states always wait for structural insufficiency and substantial impairment of mobility -- determined by rating hierarchies which are more indulgent towards these values -- before considering large-scale rehabilitation, reconstruction, or replacement. If a bridge is structurally sound, safety inadequacies, even if severe, will not alone pack enough punch to ensure a rating for such large-scale improvements. The rating scales and weighting of sufficiency factors have guaranteed this result.

As the GAO has noted, Mr. Chairman, there has been strong disagreement over the sufficiency formula. The debate has centered over whether structural adequacy or functional obsolescence should receive more weight in the rating approach. The FHWA believes that the Congress intends for structurally deficient bridges to receive the higher priority. CED-81-126, August 11, 1981, at 44.

We emphatically disagree. The FHWA point of view is in fact a knee-jerk prejudice for maintaining and enhancing physical integrity and mobility over adequate safety improvement It is an attitude built into the agency and reflected in all of its policies, whether dealing with roads or bridges. And it certainly is not a rational or quantified risk management approach to the serviceability of the nation's bridges. We find it incredible that one could argue the trade-off of the many of hundreds of lives lost, thousands of severe and crippling injuries, and tens of millions of dollars paid out on property losses, for the purported superior cost-effectiveness of expending billions of dollars in Federal-aid to rehabilitate bridges, first, only when they become structurally unsound and, secondly, to restore them frequently to what is essentially the same substandard, danerous designs that had existed for decades past when we knew so little about the causes for and the magnitude of the public health problem inherent to surface transportation.

Center for Auto Safety

2001 S Street N.W., Suite 410
Washington, D.C. 20009
(202) 328-7700

March 30, 1984

Senator Steve Symms, Chairman
Subcommittee on Transportation
Senate Committee on Environment and Public Works
Dirksen Senate Office Bldg. 410
Washington, DC 20510

Dear Senator Symms:

Below are our responses to your questions per request of March 23, 1984, on the issue of the national bridge replacement and rehabilitation program:

(1) In addressing the problem of deficient bridges, how can funding and safety concerns be sensibly balanced, and how do you think they can best be balanced at the local, State and Federal levels?

A.: The bridge program of 23 U.S.C. §§ 116 and 144 needs to emphasize deck design safety more strongly. This must be reflected in a revision of the national recording and inventory guide that will reduce the dominance of structural repair in funding allocation.

In addition, the states must be given less latitude in the repair of outdated bridge decks and approach roadways; in particular, substandard designs, except under the most compelling circumstances, must not be allowed to remain in place and yet qualify for Federal aid, currently a very common practice.

(2) What new construction techniques and cost-effective procedures appear most promising in continuing to meet our bridge and replacement needs?

A.: In respect of materials, pre-stressed reinforced concrete will be, in many cases, a much more long-term cost-effective procedure for deck rehabilitation. Current anti-corrosive techniques permitted on Federal-aid bridge projects have been described by the FHWA itself as nearly worthless. These techniques should specifically be prohibited.

(3) The General Accounting Office has concluded in a recent report that the majority of deficient bridges are off the Federal-aid highway system. What effective approaches are the States taking, in your view, to resolve the off-system bridge problem?

A.: Very little. And the GAO Report referred to in the question recommends frequent downscoping (i.e., reduction) of the designs of minor bridges, and even the elimination of bridge railings and approach guardrail. The Center strongly opposes both of these suggestions.

(4) How do you believe that Federal bridge inspection procedures could be improved? Do you think that inspection at the Federal level is done more expertly and thoroughly than at the State level? If so, why?

A.: First, by using fully-qualified personnel and, secondly, by a Federal requirement of the minimum number of inspectors per jurisdiction -- at least at the state level -- necessary to accomplish adequate and timely appraisal.

If it is meant by "Federal level" bridges on the Federal-aid systems, the answer to the second part of Question (4) clearly is yes. The reason why inspections are done more expertly is because a) the Federal-aid systems structures are usually considerably more sophisticated than off-system bridges and, therefore, usually carry far more traffic, represent a much larger initial and continuing investment, and, finally, because of level of use, will have a substantially higher potential for accidents. b) In most states, off-system bridges are appraised under county and municipal jurisdiction. County-level inspectors are more often poorly trained and unqualified; there is an unfavorable ratio of bridges requiring inspection to available inspection personnel; and the bridges, because of lower traffic volume in most cases, often hold less concern for the county authorities. c) Counties and cities usually have poor maintenance/rehabilitation management systems and, in addition, often allocate proportionately far less of their funds to timely inspection. d) Lastly, counties and cities often lack any qualified personnel and as a result have inspections performed by consultants who frequently, in fact, do a very cursory job.

(5) What is the view of the Center for Auto Safety on Section 167 of the Surface Transportation Assistance Act of 1982, which would allow motorcycles to use high-occupancy-vehicle lanes? Does your research show that safety hazards would be increased or decreased with such use?

A.: The rate of motorcycle accidents per registered vehicle and 100 million VMT is far higher than any other vehicle, even of large trucks. Any input of motorcycles into a traffic stream where they formerly could not operate will certainly increase exposure and risk both for cycle operators and other vehicle operators.

However, this must be viewed against the diversion of motorcyclists to other traffic conduits with inferior design, more traffic conflicts, and verified higher accident experience for all vehicle classes, as well as the use of the same facility at times where high-occupancy rules do not obtain. HOV use usually show substantially better accident experience per 100 million VMT than the same facility exhibits during the uncontrolled period of use.

Therefore, on balance, it appears that HOV use by motorcyclists has a net benefit both to the motorcyclists and to other elements of the traffic mix with regard to accident exposure and risk.

Respectfully submitted,

Gerald A. Donaldson, Ph.D.
Highway Safety

## ORAL TESTIMONY
## BY THE AMERICAN MOTORCYCLIST ASSOCIATION

## BEFORE THE SENATE TRANSPORTATION SUBCOMMITTEE

MARCH 23, 1984

The American Motorcyclist Association is composed of 135,000 members nationwide who use motorcycles in daily transportation and recreation. The AMA is dues supported and is celebrating its 60th anniversary this year. We appear before this Subcommittee on behalf of AMA members regarding the implementation of the Surface Transportation Assistance Act (STAA) of 1982, and specifically a small portion of the bill, Section 167. Section 167 of the STAA was written to open carpool lanes to motorcycle operators as a safety and fuel conservation measure, but with the exception of Washington state, there has been no move to permit motorcycles access to federally supported carpool lanes.

Carpool lanes were conceived of necessity in the early 1970s during the period of high activity in Interstate construction. Carpool lanes were constructed in high density traffic areas to alleviate congestion and encourage fuel efficient transportation alternatives. At that time the fuel efficiency of motorcycles was probably overlooked and plans for carpool lanes were made without considering them. In 1970 there were only 2.78 million motorcycles registered in the country, whereas in 1982, only a little over a decade later, there were 5.78 million registered motorcycles, an increase of 108 percent.

Today the fuel conservation aspects of motorcycle use cannot be overlooked. Motorcycles with two passengers average about 100 passenger miles per gallon; intermediate automobiles with four passengers average about the same figure. Motorcycles with only an average occupancy of 1.2 passengers still compete favorably with four person carpools based on energy used per mile, expending about 2,083 BTU per passenger mile, compared to 2,062 BTU per passenger mile for a four person carpool. The only more efficient method of urban transportation is an inner-city bus; motorcycles are more energy efficient than even trains and air carriers.[1]

Yet, there is another important aspect of motorcycles using carpool lanes, and that is an improvement in safety. The AMA feels strongly that if motorcyclists can be relatively isolated in high-density traffic where lane changing is minimized and speeds are maintained, their safety will be improved. The National Highway Traffic Safety Administration apparently also felt this way when AMA queried that agency in early 1982. Associate Administrator for Traffic Safety Programs Charles Livingston said, "Use of such lanes probably would improve the safety of motorcyclists somewhat." Any contentions for improved safety, along with those of AMA and NHTSA, were speculative: motorcyclists have never been allowed in carpool lanes and so hard safety data is lacking. Nevertheless NHTSA and AMA feel an improvement in safety is possible and it should be incumbent upon detractors to prove otherwise.

---

1. According to the Motorcycle Industry Council, 1983, p. 32, derived from U.S. Dept. of Transportation statistics, 1982.

The need for continued motorcycle safety improvements shows no sign of abating. The DOT has recently estimated that motorcycle registrations will jump by 1990 to 7.50 million from 5.78 million today, up another 32%.

AMA appeals to this Subcommittee for assistance in opening carpool lanes to motorcycle operators, because a year and a half after enactment of the STAA, only one state, Washington has made any attempt to comply with the spirit of the law. Washington state's Chief Traffic Engineer, Mr. Wayne Gruen, reports to AMA that they have experienced no ill effects and no accidents or fatalities after incorporating motorcycles in Washington's carpool lanes. This is real life experience, and it is a positive indication.

The language of Section 167 of the Surface Transportation Assistance Act reads as follows:

> Notwithstanding any provision of this Act or any other law,no funds shall be appropriated for the construction or resurfacing of Federal and highways which have lanes designated as carpool lanes unless the use of such lanes includes use by motorcycles. Upon certification by the State to the Secretary of Transportation, the State may restrict such use by motorcycles if such use would create a safety hazard.

The Senate made clear its intentions in Section 167 of the STAA to open these lanes. Yet, excepting Washington, all others in the 14 remaining locations have taken no action to open carpool lanes to motorcyclists. We believe there are three possible reasons.

First, the Federal Highway Administration has not assumed a leadership role in the implementation of Section 167. This has led to confusion and piecemeal efforts at the state level -- the exact problem we faced before Section 167 became law. FHWA has not yet developed rules or regulations to guide state highway administrators on how to add motorcycle operators to carpool lanes, and as a result, the states are doing what they please. We think this would be easily corrected by FHWA taking a leadership role, and seeking how best to include motorcycles, not how to let states opt out.

Second, some states are certifying against motorcycle use with questionable "studies," that predict a safety problem instead of a safety benefit to motorcycle riders. Texas provided one of the studies we reviewed. On its contra-flow lanes in Houston it required auto driver qualification to use carpool lanes. This includes driver testing, vehicle inspection and vehicle insurance tests, all before drivers can use the lanes. In justifying that motorcycle operators were unsuitable contra-flow lane users, Texas merely assumed that it couldn't certify motorcycle operators because it had no suitable testing provisions. Yet in its licensing procedures, Texas requires motorcycle riders to successfully complete not only the automobile skills test but a separate motorcycle knowledge and skill test, including an in-traffic portion. In spite of this, FHWA granted Texas an exemption on the I-45 contra-flow carpool lanes.

To date, in all cases where a state has certified a safety problem with FHWA, it has only anticipated some sort of safety hazard before the fact, without at least trying to incorporate motorcycle use. In each case -- without checking -- FHWA has granted exemption. These safety contentions are not even based not on a short-term trial demonstration allowing motorcycles in carpool lanes, but are based on conjecture.

Third, some states have applied a "future funding obligation" criteria and have certified against motorcycle use by showing carpool lanes now in use don't apply to Section 167. They contend that only construction funds obligated in the future apply to Section 167, and since most such highways are already constructed, they have written off motorcycle use of carpool lanes entirely, again without even considering a demonstration project. Again, FHWA was willing to issue an exemption.

We don't think Congress had this in mind when Section 167 was enacted. We believed the Congress was sufficiently interested in fuel conservation and motorcycle safety that it wrote and adopted this language, anticipating that states would cooperate. Yet we are experiencing a tangible reluctance by FHWA to act on the spirit and intent of the legislation, which has resulted in an almost complete absence of implementation of Section 167. We would like to respectfully request this Subcommittee consider three things to begin remedial action.

We would like to ask the assistance of the Federal Highway Administration in drafting specific rules that govern implementation of Section 167, and to establish criteria for the required safety evaluations. FHWA is relying solely on judgements of the regional offices at the moment -- nothing more. Second, we'd like to see each state participate in a trial demonstration of motorcycle use before FHWA grants or certifies against motorcycle use. This is a compromise, and a workable one. Finally, we'd like to see this subcommittee ask FHWA to report back in one year on progress made toward achieving 100 percent compliance with the section of the STAA. We are confident that resolving the issue will result in both improved fuel conservation and safety for the nation's growing population of highway motorcyclists.

DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
WASHINGTON, D.C. 20590

JAN 26 1982

IN REPLY REFER TO:
NTS-14

Mr. Gary Winn
Legislative Analyst
American Motorcyclist Association
P. O. Box 141
Westerville, OH 43081

Dear Gary:

This is in reply to your January 15 letter concerning motorcycle use of high occupancy vehicle lanes on Federal Aid Highways.

From a highway safety point of view we see no objection to the use of motorcycles on high occupancy vehicle lanes. In fact use of such lanes probably would improve the safety of motorcyclists somewhat.

However, as you know there are policy considerations other than safety which must be weighed in a determination of whether or not motorcycles should be allowed on high occupancy vehicle lanes.

We hope this information is helpful to you.

Sincerely,

Charles F. Livingston
Associate Administrator
Traffic Safety Programs

SPEED LIMIT 55
It's a law we can live with.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

REFER TO:
HHP-21

Mr. Gary Winn
Legislative Analyst
Government Relations
American Motorcyclist Association
Westerville, Ohio 43081

Dear Mr. Winn:

This is in response to your letter dated February 16 expressing appreciation for inclusion of motorcycles as an available tactic in Docket 80-24. In addition, you requested information regarding the locations of Interstate highways that have high occupancy vehicle (HOV) lanes currently in use.

The following information was provided by the Office of Engineering (HNG-1) which identifies the Interstate highways with HOVs currently in use:

Massachusetts, Boston - I-93
New Jersey - I-495 (Lincoln Tunnel)
New York - I-495
Virginia - I-66, I-395, I-95 (Shirley Highway)
Florida, Miami - I-95
Florida, Orlando - I-4
Georgia, Atlanta - I-85
Texas, Houston - I-45
California, Los Angeles - I-10
California, San Francisco - I-280, I-580
Hawaii - H-1
Washington, Seattle - I-5

Sincerely yours,

Sam W. P. Rea, Jr.
Chief, Interagency Review Branch

ROBERT T. STAFFORD, VT., CHAIRMAN
HOWARD H. BAKER, JR., TENN.
JOHN H. CHAFEE, R.I.
ALAN K. SIMPSON, WYO.
JAMES ABDNOR, S. DAK.
STEVE SYMMS, IDAHO
PETE V. DOMENICI, N. MEX.
DAVE DURENBERGER, MINN.
GORDON HUMPHREY, N.H.
JENNINGS RANDOLPH, W. VA.
LLOYD BENTSEN, TEX.
QUENTIN N. BURDICK, N. DAK.
GARY HART, COLO.
DANIEL PATRICK MOYNIHAN, N.Y.
GEORGE J. MITCHELL, MAINE
MAX BAUCUS, MONT.
BAILEY GUARD, STAFF DIRECTOR
JOHN W. YAGO, JR., MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, D.C. 20510

March 23, 1984

Mr. Gary Winn
Manager of Legislative Affairs
American Motorcyclist Association
P.O. Box 141
Westerville, Ohio 43081

Dear Mr. Winn:

I want to thank you for testifying before the Subcommittee on Transportation during the recent hearings on the implementation of the Surface Transportation Assistance Act of 1982. We did not have sufficient time during the hearings to discuss all the issues and questions of concern to the various Subcommittee members, and because of that I would appreciate receiving your written response to the enclosed questions.

In order for your response to be included in the hearing record, I would like to ask that it be submitted no later than April 9, 1984.

Thank you for your assistance.

Sincerely,

Steve Symms
Chairman
Subcommittee on Transportation

SS:nh
Enclosure

QUESTIONS FOR THE AMERICAN MOTORCYCLIST ASSOCIATION

(1) High-occupancy vehicle lanes were created to increase the efficiency of mass transit and the urban transportation system as a whole. How are those aims served by allowing motorcycles to use HOVs?

(2) There are serious safety concerns when heavier vehicles share a roadway with lighter ones, especially on an HOV with fast-moving traffic. Do not the risks in uniting bus, auto and motorcycle traffic exceed the benefits for motorcyclists?

(3) What are the accident statistics for motorcycles on different types of roads--expressways, arterials, local roads and streets? What types of roads provide the safest travel conditions for motorcycles?

(4) By your estimate, how many motorcycles would use the I-395 HOV, if restrictions were lifted?

(5) What is the view of the Virginia Department of Highways and Transportation on opening the I-395 HOV to motorcycle traffic?

(6) The States of Washington and Texas appear to have come to different conclusions on allowing motorcycles to use HOVs. Would you compare the findings of these two States?

(7) Of the States with HOV lanes, which ones have certified to the U.S. Department of Transportation that motorcycle use would cause safety problems?

. Responses to Senator Symms' inquiries on High Occupancy Vehicle Lanes

1. AMA should first point out that the Federal Highway Administration has evaded the spirit of the law and distinguished between carpool and High Occupancy Vehicle lanes, taking an over-literal view of Section 167 of the Act. We believe it was the intent of Congress to open all such lanes to motorcycles in order to increase the efficiency of the mass transit and urban transportation system as a whole. This has been lost through FHWA's literal interpretation of the language of Section 167.

   The impetus behind development of HOV lanes was a master plan to improve urban traffic flow, decrease fuel consumption and improve traffic safety. Motorcycles assist in moving urban passengers because motorcycles are extremely fuel efficient and space conservative. Only a city bus surpasses a motorcycle's fuel economy based on passenger miles per gallon, yet a motorcycle takes up far less space on the roadway. Each motorcycle parked in an urban area adds approximately .60 automobile spaces available, since about 2½ motorcycles can park in a car space. Motorcyclist safety is also improved because on HOV lanes, merging and lane changing is minimized, and there are reduced opportunities for intersection accidents.

2. There is no real-life data on motorcycles in HOV lanes, except in Washington which suggests that on I-5 in Seattle there are no adverse safety problems due to mixing motorcycles into existing HOV traffic. Thus, motorcyclist safety is apparently enhanced rather than reduced. Even though some state officials believe there may be a problem in mixing heavier vehicles with lighter ones, they should be under some obligation to provide a trial demonstration to illustrate traffic compatibility. They should not be permitted to make a before-the-fact pronouncement that there may be a problem, because they don't know that there is one.

3. HOV lanes were designed to facilitate rapid and safe access to and from work. A 1981 Department of Transportation funded study of 900 motorcycle accidents in the Los Angeles area states that for motorcycle operators "work oriented travel is underrepresented in the accident data for both origin and destination," (DOT HS-805-862; 1981, p. 402) suggesting that work travel for motorcycle operators is underrepresented when compared to casual travel.

   Busy freeway travel accounts for only 6.8% of motorcycle accidents, whereas the same DOT study shows that arterial roads, which are not limited access highways, accounted for 55.9% of all motorcycle accidents. The rest of the accidents were non-freeway, such as urban streets, parking lots and two lanes roads, accounting for a non-highway grand total of 90%.

This suggests integrating motorcycles into HOV and carpool lanes will not be a problem. Since so many miles are traveled on these freeways, that is, exposure is fairly high, the data suggests that an actual improvement in motorcyclist safety is likely when commuting riders shift away from arterial roads to HOV lanes. One major problem in motorcycle safety is intersections where about two thirds of motorcycle accidents occur, according to the same 900 accident study by the Department of Transportation. Obviously, there are no intersections on HOV lanes.

4. In 1982, Virginia had a motorcycle population of 80,500. If approximately 10% of those riders are employed in or around the metro Washington D.C. area, this comes to about 8,000 riders. Our best estimate is that 10 - 15% of these 8,000 riders, or 800 - 1,200 riders would be split between the I-395 and I-66 HOV lanes. These numbers would be significantly reduced during periods of inclement weather, reducing the likelihood of accidents caused by wet or slick roadways.

5. AMA interprets Virginia DOT's view of Section 167 of the STAA as a circuitous, even devious way to limit motorcycle use of HOV roadways. Virginia DOT suggests that Section 167 refers to future expenditures of federal highway construction money and thus they will not face the question of integrating motorcycles until sometime when future expenditures are required. It seems that Administrator Ray Barnhart at FHWA has planted the seed for this interpretation. In a March 11, 1983 memo to Regional Highway Administrators he says, "An existing carpool lane will not be affected until a federal aid project is approved for the section of highway on which it is located." We fail to understand why Section 167 should refer to only future funding obligations. If it is the intent of Congress to give motorcycles access to HOV lanes, access should be given on existing lanes as well.

6. Washington's traffic safety office says it has had no ill effects, no accidents and no fatalities as a result of motorcycles in its HOV lanes. However, Texas has certified against motorcycle use on I-45 in Houston's contra-flow lanes because it feels its restrictions on car drivers can't be applied to motorcycle users. Texas requires I-45 lane users to be licensed, insured and registered to use the lanes. Texas motorcycle operators have to pass all automotive knowledge and skill tests, but then must pass an additional test of in-traffic skills. The Texas highway officials assumed motorcycle commuters were still not qualified despite the stringent state licensing tests. Texas then certified with FHWA against motorcycle use. FHWA granted the exemption before the state actually proved anything. AMA doesn't mind the state asking for competence, but motorcycle operators in Texas have demonstrated their abilities through existing licensing requirements.

Since FHWA suggests the future funding criterion, states apparently aren't required to certify one way or the other, although the agency lists only California and Texas as certifying at all, and in particular against motorcycle use. FHWA has no record of certification from Massachusetts, New Jersey, New York, Florida, Georgia or Hawaii. Because FHWA wasn't clear on the actions it intended to see as a result of Section 167, the law was interpreted differently by the 12 states involved and most states have done nothing at all. We think FHWA ought to take a leadership role, promulgating workable rules and developing trial demonstrations to allow motorcycles in existing HOV lanes. FHWA should not be permitted to continue to "rubber stamp" a state's decision to arbitrarily close its lanes to motorcycle use. The FHWA should be required to report on the matter to the Senate Transportation Subcommittee so the authors of the language will receive justification for FHWA's actions to date.

# IMPLEMENTATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

---

THURSDAY, MARCH 22, 1984

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
*Washington, D.C.*

The subcommittee met at 9:30 a.m., in room SD-406, Dirksen Senate Office Building, Hon. Steven D. Symms presiding.

Present: Senators Symms, Evans, and Mitchell.

Senator SYMMS. Good morning. The subcommittee will come to order, and we will commence our hearings.

I might just say this is another in our series of hearings on Implementation of the Surface Transportation Assistance Act of 1982. We heard last week from Senator Gordon; Senator Bumpers; Mr. John Clements, the commissioner of the New Hampshire Department of Public Works; Congresswoman Vucanovich; James L. Spoo from Nevada; Wendy Johnson from the Women's Opportunity in Road Construction; James Caywood from the American Road and Transportation Builders Association; Peter Koltnow from the Highway Users Fund; Gerald Donaldson from the Center for Auto Safety; and Mr. Gary Winn, manager of legislative affairs with the American Motorcycle Association.

We will go right on. It is the intention of this subcommittee to start markup on highway legislation as soon as possible after these hearings are completed.

We are delighted to have our colleague, Senator Arlen Specter, from Pennsylvania, here this morning. He is accompanied by Mr. Tom Larson, Secretary of the Pennsylvania Transportation Department.

We are glad to have you with us this morning, Senator Specter. Please go ahead.

## STATEMENT OF HON. ARLEN SPECTOR, U.S. SENATOR FROM THE STATE OF PENNSYLVANIA, ACCOMPANIED BY THOMAS D. LARSON, SECRETARY, PENNSYLVANIA DEPARTMENT OF TRANSPORTATION

Senator SPECTER. Thank you very much, Mr. Chairman.

It is a great pleasure to appear before this subcommittee and before its distinguished chairman. It has been a pleasure for the last 3 years and 3 months to work with Senator Symms in the Senate, and it is a great pleasure to arrive at a 9:30 hearing and find the chairman, witnesses in place, considering the crowded and busy schedule of the U.S. Senate, and I commend the chairman for his very good work generally.

Mr. Chairman, I would ask that the full text of my statement be made a part of the record.

Senator SYMMS. Without objection, it will be.

Senator SPECTER. I shall summarize it in order to hit the highlights, to save the time of the subcommittee, and leave as much time as possible for questions, answers and dialogue.

The essential question which confronts the Congress is a fair allocation of these highway and bridge funds. And it calls upon us to make a fair allocation, recognizing the very substantial regional differences which are present, as illustrated between the two States which the chairman and I represent, the State of Idaho and the Commonwealth of Pennsylvania. But in accordance with the national unified effort upon fairness and appropriate allocations, it is in that context I make the comments which I do today.

My staff and I and the staffs of the Senators from the Northeastern parts of the United States have made a very careful analysis of the formulas proposed by the Secretary of Transportation and by the realistic factors present in all of the States of the United States, and toward that end have introduced S. 1498, of which I am the principal sponsor. I have been joined by 10 other Senators: Senators Heinz, Humphrey, Lautenberg, Tsongas, Cohen, Bradley, Dodd, Mitchell, Kennedy, and most recently by Senator D'Amato. It is our basic contention that the allocations of funds do not take into account the standards which have been established by the relevant authorities.

I would point first, Mr. Chairman, to the Federal Highway Administration's report which identified three goals of the interstate 4-R program that should be considered in evaluating the appropriate formulas. First, under that criteria, the formula should distribute funds where construction is needed; second, the benefits should be directed to the portion the system provides for interstate commerce; and third, the formula should consider the system's role in the event of a protracted national defense emergency.

Speaking for the State of Pennsylvania, we have a situation where Pennsylvania accounts for more than 5 percent of the improvements needed on the interstate system and yet has been allocated only 3 percent—an enormous difference—and 60 percent of what that criterion would account.

Second, the report showed that Pennsylvania's interstate highway system provides for more than 5 percent of the benefits enjoyed by interstate commerce. And that, I would suggest to you, Mr. Chairman, is not surprising when you consider the geographical location of Pennsylvania as the main route between the West, the Midwest, and the East, with the Pennsylvania Turnpike and Interstate 80 being major superhighways which cross the State, to say nothing of the balance of the vast network of Pennsylvania roads. From the interstates and from the turnpike there is tremendous feeding off and on.

Third, the Federal Highway Administration study concluded that Pennsylvania could provide more than 5 percent of the country's requirements for direct military and subcontractor movements on the Interstate System during a prolonged national defense emergency. I would say to you, Mr. Chairman, that as a matter of plain arithmetic, nothing very complex about the situation, that a 3-percent figure simply doesn't take into account these very basic considerations.

I would supplement that basic contention, Mr. Chairman, by pointing out that the current formula which employs vehicle miles of travel reflects the relative usage of the system in a limited aspect. I would agree that miles of travel is important. But there are other considerations beyond simply the miles themselves, and that is the kinds of vehicles involved. Pennsylvania is tremendously impacted by big trucks.

The American Association of State Highway and Transportation officials study has shown one 80,000-pound truck causes more wear and tear on highway pavement than some 9,000 cars. So the factor in the instance of truck usage has to be considered here.

Another factor which significantly affects highway restoration costs which is not included in the existing formula turns on the weather conditions. And the adverse climates cause a difference in cost of pavement restoration by some 16 percent. I would say that that is a very conservative figure given the heavy snows, the potholes which are caused by them, and the usage of heavy amounts of salts which just tear up the highway system. And that is a key factor which poses the very heavy wear and tear on the system for a state like Pennsylvania.

Would you indulge me one moment, sir.

Mr. Chairman, I would supplement what I have said. I wanted to be sure as to the coverage of the bridges.

That is a critical aspect, and this legislation covers the bridges as they relate to interstate highways, bridges which cross the rivers in Pennsylvania. Pennsylvania has a very large number of bridges which are susceptible to more wear and tear. Probably no area of the country has more bridges than western Pennsylvania, if you look just at Pittsburgh. We have the Delaware River on the east, the Susquehanna, the east branch and west branch, which winds through a tremendous portion of Pennsylvania. And that augments the real need which we have.

For these reasons, my basic appeal to this subcommittee is to take into account these factors. And we believe that at a minimum a State like Pennsylvania should be entitled to 5 percent, which these criteria really mandate.

Mr. Chairman, I thank you very much for the opportunity to appear here.

Tom Larson is the distinguished secretary of transportation of Pennsylvania. I think Secretary Larson's credentials are well known to the committee and chairman. He comes to that post after a distinguished background in academia. He has been an outstanding leader for the Nation in the issue of highway development and has done a really outstanding job for our very distinguished Governor, Dick Thornburgh, during the course of the Governor's administration. I am pleased to present Secretary Larson to the subcommittee this morning.

Senator SYMMS. Thank you very much, Senator Specter. Did you wish to stay at the hearing?

Senator SPECTER. I would like to stay for a few moments while the Secretary speaks. I do have a commitment before Senator Quayle on the Judiciary Committee. It is a common problem of being trifurcated.

Senator SYMMS. Go right ahead, Mr. Larson.

Mr. LARSON. I will be very brief also.

Thank you, Mr. Chairman, for this opportunity. I am honored to be here with the distinguished Senator from Pennsylvania.

My remarks will really focus on the section 137 studies prepared by the Federal Highway Administration under the direction of the U.S. Congress and will simply reiterate what the Senator has said, and that is that the principal criteria that were selected in the study were needs, benefits, and defense. And it is very difficult to argue that these are not the proper criteria.

Our most serious difficulty, our most immediate difficulty comes with the 137 study conclusion which says there is no persuasive case for changing the factors used in the current 4-R formula. Since Pennsylvania, by these three criteria—needs, benefits, and defense—is identified as deserving in excess of 5 percent, since we in fact get 2.9 percent, we believe the case is made for us conclusively. And there is, in fact, need for these factors to be adjusted.

I will stop my comment at that point and be happy to answer questions.

Senator SYMMS. I was just trying to think, Mr. Secretary. You testified out in Illinois when we held a hearing on the subject of toll roads; is that correct?

Mr. LARSON. No, sir, I did not.

Senator SYMMS. Someone from Pennsylvania came out. I guess it wasn't you, but there was a representative from Pennsylvania Road Builders or someone.

Mr. LARSON. We did have a delegate from Pennsylvania out there.

Senator SYMMS. The Pennsylvania Turnpike, just to refresh my memory, in some parts is interstate 80, isn't it?

Mr. LARSON. No, it is not Interstate 80. It is Interstate 76. It is, in fact, toll and supported locally from tolls. There are no Federal funds. It is a quasi-private agency, the oldest of the turnpikes and supported entirely, 100 percent out of toll funds.

Senator SYMMS. From Breezewood to the western line of Pennsylvania?

Mr. LARSON. It actually goes from border to border. It goes from the New Jersey border to the Ohio border, and also has a north-south connection from Scranton down to approximately the Allentown/Bethlehem area. So it is a large system, it is more than 400 miles, and is entirely supported by private funds.

Senator SPECTER. If I might supplement what the Secretary said, Mr. Chairman. There is tremendous traffic which moves off of the Pennsylvania turnpike onto highways which are supported under these formulas. I think Breezewood is just about the place where Interstate 70 branches off. And while the turnpike supports itself, an enormous volume of traffic comes off of the turnpike and then goes on 70, because the turnpike later swings north and it moves toward Ohio.

Mr. LARSON. I was simply going to add, and you are absolutely correct, we do have an entry point into the full system. But Interstate 80, to go a few miles north, is also a very major corridor across the center of the state. It literally is the truck line serving the east coast and serving New York City, a major travelled way for trucks. Then, if you go farther north we have I-90, which crosses a smaller portion of the State. But again, three corridors very heavily traveled. Our Interstate System is one of the oldest in the United States. We have parts of the system that are, in fact, beyond design life at the present time. So bad weather, very high truck volumes, and a very old system are obviously what lead to this Federal-aid study saying we need a large amount under the 4-R program.

Senator SYMMS. I thank you both very much for your testimony. I just want to say to Senator Specter, a problem we run into, as one of our good colleagues on this committee, Senator Baucus will tell you, Montana has 1,300 miles of Interstate and 750,000 people. So they make the argument that the mileage they have to take care of offsets the numbers of cars and trucks that travel on the roads and population pressures on the highway. And that is what we are confronted with here in this committee.

I might just say we have changed the formula since I have been on this committee. It has moved down to I think it is 65 based on the formula. So it has moved in the direction you are talking about.

You make a good case. But we do have the difficulty from other parts of the country where there are long distances and fewer people; they don't have the money either. What this says to me is that for the last 25 or 30 years we haven't made the commitment to the highways we were building and what it was going to cost to maintain them. The Surface Transportation Act makes a small step in the right direction, but still there is shortage of funds for the problems you are pointing out here. I don't know what we can do. We will certainly consider it, and I see you have 10 Senators cosponsoring it. It is something this committee, I can assure you, Senator Spector, is going to look at very carefully. But we do have other considerations from other sections of the country, and I hope something can be resolved. I wonder whether it will come to pass that at some point this country may have to come to some form of a toll to pay for the roads; it isn't very popular, but it may be necessary. As you said, all that truck traffic that goes through is really interstate traffic that is traveling through the State.

Senator SPECTER. Mr. Chairman, when you raise the toll aspect, you raise another consideration, because in having the toll road, the Pennsylvania Turnpike, we are imposing on the people who use the Pennsylvania roads responsibility to pay for their own, which falls most heavily on Pennsylvania drivers because Pennsylvanians obviously use the roads in Pennsylvania more than anybody else does. We have already isolated an enormous segment. I think it might be interesting and useful if we could identify the travel from the Interstate System which is on the Pennsylvania Turnpike, because I think since Pennsylvanians are already principally paying for the turnpike it would be a relevant consideration on what Pennsylvania is to get from the Federal system, because the essential breakdown is what the Federal share is going to be as opposed to what the State must pay.

When you bring in the Montana situation, which is a very valid concern, it raises the point whatever the Federal Government doesn't put in, Montana has to. But what Pennsylvania has put in on the toll system is fair consideration that ought to be an offset for a little bit more for Pennsylvania.

Mr. Chairman, I know you have a difficult job on the formula. But considering the major highway in Pennsylvania, the turnpike, is paid for by Pennsylvanians, and that these mathematical formulas are so out of whack there is a very compelling case for very substantial readjustment favoring Pennsylvania.

Thank you.

Senator SYMMS. Thank you very much. I appreciate it.

Thank you very much, Mr. Secretary. It is always a pleasure to have you here, too.

The next witness is Senator J. Bennett Johnston from Louisiana.

## STATEMENT OF HON. J. BENNETT JOHNSTON, U.S. SENATOR FROM THE STATE OF LOUISIANA

Senator JOHNSTON. Thank you very much, Mr. Chairman.

I have a written statement which I would like to put into the record.

Senator SYMMS. Without objection, your entire statement will be part of the record. We are delighted to have you here.

Senator JOHNSTON. I appreciate having the opportunity to appear before the subcommittee today to discuss why it is essential that we add two small additions to I-49 in Louisiana.

Mr. Chairman, as you will recall, this committee authorized the construction of I-49 in the early 1970's. I-49 is the only major north-south highway in Louisiana. It is 206 miles in length and begins at an intersection of I-10 in Lafayette. I-49 then extends in a northerly direction and terminates at an intersection with I-20 in Shreveport. Shreveport is my hometown and it is in the northwest corner of the State.

The problem, Mr. Chairman, is that when we authorized I-49, we connected I-10 in south-central Louisiana with I-20 in north Louisiana. However, both of these termination points empty the traffic from the interstate out into the middle of a major city. By extending I-49 approximately 3 miles in each direction, we can alleviate this problem and also create a controlled-access road from New Orleans to Shreveport.

Specifically, Mr. Chairman, I propose extending I-49 at its northern terminal 3.7 miles to an intersection with I-220 on the north side of Shreveport. I also propose extending the interstate 3 miles to an intersection with U.S. 90 on the south side of Lafayette. This modest extension, 6.7 miles in total, will comprise 3.5 percent of the total mileage of I-49. The total cost of this extension would be $343,313,000.

Senator SYMMS. That is total construction?

Senator JOHNSTON. Yes, Mr. Chairman. The cost estimate of the Shreveport portion of the extension is $182,500,000 and the cost estimate of the Lafayette extension is $163,613,000. I would like to add that it is probable that considerable savings can be made from this estimate. The contractors are present on the site and they are mobilized. The estimate I gave assumes no mobilization of contractors. Consequently, authorization of the extension at this time could result in considerable savings to the Federal Government.

Senator SYMMS. You are asking to add these to the Interstate System; is that correct?

Senator JOHNSTON. Yes, Mr. Chairman.

I have three maps attached to my statement and I would like to discuss them with you. The first map simply shows I-49 and the proposed extension. I-49 is outlined in blue. The little red dot at the top of the termination of I-49 represents the proposed Shreveport extension. The green dot on the southern termination point of I-49 represents the Lafayette extension. The second map is an enlarged map of the proposed Shreveport extension and the third map is an enlarged map of the proposed Lafayette extension.

If you look at the second map, you can see that what we propose to do is to connect I-49 in Shreveport with the north loop of Interstate 220. Again, I-220 is the major east-west highway in the northern part of the State.

Mr. President, if we do not authorize this modest extension, the I-49 traffic will have to use city streets in order to reach I-220. Most likely, motorists will use Allen and Western, two small roads near the present terminal of I-49 in Shreveport. I am very familiar with both of these roads. Present plans call for making Allen a one-way road going south and Western a one-way road going north. Presently, the traffic flow is about 3,400 vehicles per day south on Allen and about 6,300 vehicles per day on Western. When I-49 is completed in the Shreveport area, projections call for about 13,083 vehicles per day south on Allen and about 17,667 vehicles per day north on Western. Consequently, traffic is expected to increase from 10,700 vehicles to a total of 30,750 vehicles per day. That means that when I-49 is completed, three times as many vehicles will be dumped into downtown Shreveport. Mr. Chairman, Allen and Western are your typical city streets. They are very small, modest streets and the projected increase in traffic on them will create an impossible traffic situation.

Alternatively, to reach I-220 you could take I-20 to Market Street. However, if you went down Market Street, you would travel through 12 traffic lights in the heart of downtown Shreveport. Consequently, the present design of I-49 defeats the whole reason for having an interstate road because you will dump traffic out in the middle of the city. To summarize the situation in Shreveport, in order to reach the next controlled access road after the northern termination point of I-49, you have two alternatives. You may either (i) go through 12 traffic lights; or (ii) you may use two two-lane roads that are already overburdened.

Mr. Chairman, the situation in Lafayette is even more difficult than the situation in Shreveport. Presently, I-49 terminates at an intersection with I-10 in Lafayette. A 3 mile stretch of road, known as the Evangeline Thruway, then connects I-49 with U.S. 90, the major east-west highway in southern Louisiana.

The Evangeline Thruway sounds like a substantial road and it was a good road when it was built. However, the thruway is presently handling 1.49 times the traffic it was designed to handle and it is terribly congested.

Mr. Chairman, the Evangeline Thruway is presently servicing approximately 45,000 vehicles per day. Once I-49 is completed, it is expected to service from 60,000 to 65,000 vehicles per day. I do not know of any noncontrolled access road in this country that can service 60,000 to 65,000 vehicles per day. It is an impossible situation.

Moreover, Mr. Chairman, the Evangeline Thruway intersects with 27 different roads in Lafayette. Nine of these intersections are major intersections, with traffic at these intersections being controlled by stoplights. At the remaining 18 intersections, traffic entering the Evangeline Thruway is controlled by stopsigns.

Consequently, Mr. Chairman, if something is not done about the situation in Lafayette we are going to have gridlock. I do not know how you can possibly cross a road that is servicing 60,000 to 65,000 vehicles per day. The situation is a mess now.

Mr. Chairman, Lafayette has grown very quickly from a small, sleepy country town to the capital of the oil industry in Louisiana. Because of the fast pace at which the town has grown, the roads were not designed for easy access or heavy concentrations of traffic. Consequently, today, Lafayette is a mess in terms of traffic control and if we do not do something about this, we are going to have a constant gridlock and a terrible safety situation.

In conclusion, Mr. Chairman, I hope this committee will complete the great work it began when it authorized the construction of I-49. By the way, I-49 is coming along very well. We are very pleased with the progress that has been made. Presently, the portion between Lafayette and Opelousas is finished and a final completion date for the entire system is projected for 1992. Mr. Chairman, I implore the committee to favorably consider my request.

Thank you.

Senator SYMMS. Thank you very much, Senator. We appreciate your testimony and your interest which is continued in your State. No one can ever fault you for that.

I guess what I would say is we have got a problem here on this committee on where we are going to come up with enough funds if we start getting too far outside of what has already been spoken for. It is truly a problem. And I think your requests are meritorious. There is no question about that. With the story you paint, I know that is important.

I notice in your testimony you mention the Barksdale Air Force Base. That is in Shreveport. Do you still have the Naval Training base, Naval Air Station in Lafayette?

Senator JOHNSTON. There is a National Guard unit there. We do not have the Naval Training Station there.

Senator SYMMS. Is the $343 million the Federal share or is that the total cost?

Senator JOHNSTON. That is the total cost.

Senator SYMMS. So part of the money would be, 10 percent of it I guess, would be State?

Senator JOHNSTON. That is correct.

Senator SYMMS. Senator Evans?

Senator EVANS. I have no questions, Mr. Chairman.

Senator **Symms**. We will certainly take it under consideration and look at it. We can't make any commitments at the present time. As you understand, and as I said to Senator Specter who just preceded you, we have I think a problem in this country that we have allowed the highway situation lag behind. And there are multimeritorious projects waiting to be done around the country that have not yet come up with the idea of where we get the money. When we start adding projects like this, of course, we are taking a little bit away from each of the other 49 States. The question is how many can we add and end up that our formula is totally decimated from what the Senate and House did after the Surface Transportation Act. I assume this will be looked at on the other side of the Hill in the other body of Mr. Breaux and others on the Public Works Committee.

Senator **Johnston**. I know Congressman Breaux is vitally interested in this project and he will be a substantial help to us on the House side. This is just one of those situations, Mr. Chairman, where in authorizing a great project, we did not complete two little segments that have the potential to create terrible problems on both ends of the interstate. It is not as if I am asking for a new road to be built. I am merely asking for the completion of an ongoing project that will create terrible problems if its deficiencies are not corrected at this time.

Senator **Symms**. I can see it creates a problem.

Thank you very much.

Senator **Johnston**. Thank you, Mr. Chairman.

Senator **Symms**. Now we will hear from Mr. H. W. Reece, President of Reece Construction Co., representing the Associated General Contractors.

## STATEMENT OF H. W. REECE, PRESIDENT, REECE CONSTRUCTION CO., ON BEHALF OF ASSOCIATED GENERAL CONTRACTORS OF AMERICA, ACCOMPANIED BY JOHN GENTILLE, STAFF DIRECTOR, AGC, HIGHWAY DIVISION; AND DOUG RICHARDSON, ASSISTANT STAFF DIRECTOR

Mr. **Reece**. Thank you, Mr. Chairman.

Mr. Chairman, we have submitted a written statement which we would like to request be included in the record. In the meantime, I would like to summarize that statement.

Senator **Symms**. Without objection, it is part of the record.

Mr. **Reece**. I am Bill Reece, president of Reece Construction Co., Scandia, Kans. I am appearing before you today on behalf of the Associated General Contractors of America. I am accompanied by the staff director of AGC's Highway Division, John Gentille, and Doug Richardson, Assistant Staff Director. And behind me I would like to recognize the associate director of AGC's Legislative Division, Sue Loomis.

It is a pleasure to appear before this subcommittee. As a highway contractor and a member of the AGC, I fully realize and appreciate that it was the leadership and initiative of this subcommittee which eventually resulted in the passage of the 1982 Surface Transportation Assistance Act.

AGC viewed the Surface Transportation Assistance Act as the reestablishment by Congress of the principle of an adequately funded, long-term, stable Federal-aid highway program. We felt then, and we feel now, that a reviving economy deserves no less. We commend the Environment and Public Works Committee for its continuing efforts on behalf of an adequately funded highway program, as shown by its recommendation to the Budget Committee for full fiscal year 1985 funding for the Federal-aid highway program under the 1982 Surface Transportation Assistance Act. AGC fully supports the committee in this regard.

Everyone recognizes that the commitments made by Congress in the 1982 STAA to rebuild our transportation infrastructure and combat unemployment were partially undermined by the recent 5-month delay in approving an interstate cost estimate [ICE]. AGE applauds the leadership and dedication shown by the chairman and members of this subcommittee in reaching what we all know was a most difficult compromise with the House, and which allowed for the release to the States of approximately $2.7 billion in much needed interstate construction, interstate substitute and 85 percent minimum allocation funds.

Those released funds, when added to the approximately $600 million in discretionary funds recently distributed by the Federal Highway Administration, and the $7.5 billion in highway funds apportioned among the States on October 1, 1983, account for $10.8 billion, or 83 percent of the approximately $13 billion authorized by the STAA for the Federal-aid highway program this year.

AGC urges this subcommittee to proceed as expeditiously as possible with a measure approving an 18-month ICE. The States' highway improvement programs and the highway construction industry can ill afford another prolonged period of uncertainty caused by delayed congressional approval of an interstate cost estimate. The ability of the States to program projects and conduct financial planning, the construction industry's need for a predictable and stable program within which to make cost-effective, long-term capital investments, the extent to which a smoothly functioning highway improvement program can aid economic growth, and the basic right of the traveling public to a safe national highway system, are all compelling reasons for prompt congressional action on an 18-month ICE bill.

We are all aware that the Supreme Court's June 23, 1983 decision on the legislative veto is at the root of the current ICE approval problem. Since the decision appears to preclude approval of future ICE's by concurrent resolution, AGC believes this subcommittee should reconsider the value and need for an annual ICE approval.

AGC would support legislation directing the Federal Highway Administration to make the necessary adjustments to the interstate cost estimate and to administratively allocate the funds each October 1.

We would not suggest a lessening of effective congressional oversight of the Federal-aid highway program, including the interstate completion program, but we strongly believe the economic and safety-related benefits that are derived from a stable, smoothly functioning Federal-aid highway program dictate that procedures must be developed to provide for the timely approval of interstate cost estimates. Allowing the Federal Highway Administration to administratively adjust the ICE annually would not, in our opinion, preclude Congress from making any changes to the ICE whenever it so desired. It would, however, as Chairman Stafford recently noted at AGC's annual convention, "assure that the States would not be penalized, and the program would not suffer, while Congress made its decision."

AGC strongly encourages this subcommittee to continue its leadership role in protecting the highway trust fund from further losses in revenue caused by unwarranted exemptions from highway user fees. AGC believes such exemptions, without exception, violate the basic principle of the Federal-aid highway program; that is, those who use our highways should pay their fair share of the cost to preserve and improve those highways.

It is extremely clear to AGC that the highway trust fund is not in a position to finance further exemptions to highway user fees. The Surface Transportation Assistance Act of 1982 increased highway authorizations significantly, but the infrastructure needs of our highway system greatly exceed the money currently authorized. Further reducing trust fund receipts through increased exemptions will only further the gap between available revenues and these transportation infrastructure needs.

We are aware that the Senate Finance Committee has included in its deficit reduction tax package an increase in the gasohol fuel tax exemption from 5 to 6 cents. According to the Federal Highway Administration, the existing 5 cent per gallon exemption will result in losses to the trust fund of approximately $200 million in fiscal year 1984, rising to losses of approximately $250 million per year by fiscal year 1988. Expansion of the gasohol exemption to 6 cents would expand the revenue loss by $150 million per year by 1988.

Subsidizing the gasohol industry may be sound policy to support farm prices or decrease our dependence on foreign energy supplies. But AGC strongly believes that subsidizing the gasohol industry at the expense of the Nation's highways and bridges is not sound public policy. It violates the user fee principle of the highway program, and the highway trust fund simply cannot afford it. If the gasohol industry must continue to be subsidized, AGC believes the subsidy should come from general revenues. A vehicle powered by gasohol contributes to the wear and tear of our higways and bridges as much as a vehicle powered by gasoline or diesel fuel. Both vehicles should pay their fair share of our highway user fees.

AGC questions the basic premises that gasohol subsidies benefit the agricultural economy or decrease our Nation's dependence on foreign energy sources. Census Bureau data indicate that significant amounts of the gasohol consumed in this country are made with imported ethanol. AGC questions how such a situation can help achieve the agricultural and energy-related benefits cited by gasohol proponents. Additionally, such a situation only increases the basic unfairness of subsidizing gasohol through the highway trust fund. We wonder how Congress can permit the use of highway user fees, which are needed to build and repair our Nation's highways and bridges, to subsidize the alcohol fuels industry in South America.

Also of importance to the Highway Trust Fund is the current effort to enact an alternative to the heavy vehicle use tax scheduled to go into effect July 1, 1984. AGC believes it is imperative to the long-term financial stability of the Highway Trust Fund that any alternative tax generate the same level of revenues as the heavy vehicle use tax that may be repealed.

As this subcommittee begins the process of reviewing and analyzing the many provisions of the 1982 Surface Transportation Assistance Act, in preparation for major highway legislation to be enacted in 1986, it must be mindful of the very harmful side effects section 105(f) of the 1982 STAA is having on the States' highway improvement programs and on the highway construction industry.

Ordinarily, Federal-aid highway contracts must be awarded through competitive bidding procedures to the lowest responsible bidder. This procedure assures intense competition within the industry, and assures that the project will be completed at the most economical cost to taxpayers. Section 105(f) changes this economical and proven procurement system.

Section 105(f) is forcing bidders on Federal-aid highway work to ignore price quotations offered by nonminority specialty subcontractors, and to award subcontracts to MBE's, often at higher prices than available from the non-MBE subcontractors, in order to comply with the goal requirement. The result is that the very existence of these small, nonminority contractors is seriously being threatened.

Highway construction does not easily lend itself to a large or significant amount of subcontracting. Highway construction is an equipment-intensive and capital-intensive industry. On the average, 90 percent of a typical highway construction contract is performed by the prime contractor's own work force, leaving 10 percent available for subcontract award, usually in specialty areas such as guardrail installation, signing, barrier and related safety work, landscaping and fencing. Requiring prime contractors to subcontract 10 percent, or more, of each project to MBE's virtually excludes other small, nonminority specialty subcontractors from the highway subcontracting marketplace.

AGC urges, in the strongest of terms, that should a quota provision similar to section 105(f) be offered during Congress' deliberations over a 19.86 highway bill, it not be blindly accepted without hearings or debate. There are far more equitable, cost-effective and workable alternatives to quota programs that offer a greater chance for success, without the harmful side effects of quotas.

Mr. Chairman, that concludes AGC's testimony, and I would be pleased to respond to any questions you might have.

Senator SYMMS. Thank you very much. I appreciate your testimony, Mr. Reece. I have one question.

In the Finance Committee, on the question of gasohol, one of the proponents of the gasohol exemption made the argument if the Federal Government had the exemption, then the States could go back and repeal theirs. Has your experience been that the States will repeal their exemption to gasohol if the Federal Government has not, or they will just follow suit and have one also?

Mr. REECE. I haven't seen any State arguing the point that they might repeal their gasohol exemption.

Senator SYMMS. I can't see the logic of it. I made that point in the Finance Committee. It seemed to me it was going to be difficult to ask the farm State legislatures to repeal a gasohol exemption if the Federal Government expands. It works the opposite. I wonder if you had any experience with that.

Mr. REECE. I think contrarily, Iowa has increased theirs.

Senator SYMMS. What do you have in Kansas, just for curiosity?

Mr. REECE. Please forgive me. The first 5 cents of gasohol is exempt in Kansas. I think the next additional increase that has just come about this last session has not exempted from gasohol.

Senator SYMMS. You make a good point, most people think this is an exemption for alcohol. If there was an exemption for alcohol, that would be one thing. But it really works out you give an exemption for 10 times the gallon. So if it cost $1.30 to make the alcohol, then with a 5-cent exemption it is 50 cents a gallon, because they dilute it with 9 gallons of gasoline and they give the whole 10 gallons an exemption.

Mr. REECE. That is correct.

Senator SYMMS. So it really is a big subsidy. We defeated parts of that. Maybe your testimony is correct, it is 5 cents. I guess the move is to try to move to 9 cents.

Mr. REECE. May I ask John Gentille to respond.

Mr. GENTILLE. We are aware there was a proposal to I think increase the exemption to 8 cents, which was defeated in committee.

Senator SYMMS. Pretty close vote, however.

Senator Evans?

Senator EVANS. I am pleased to listen to testimony from the Associated General Contractors. Long ago, in my dim past, I worked for the mountain Pacific chapter of the Associated General Contractors in the 1950's, and enjoyed that experience.

You mention in your testimony trying to eliminate or reduce those unwarranted exemptions. I understand the problems which arise from extending exemptions and just eroding the base of a very important user fee concept on our highways.

Are there any exemptions that you feel are warranted?

Mr. REECE. I think all of us use the roads, use the bridges, use the transportation system, use the infrastructure the transportation system provides, and I think anybody who uses that system, including Government, should be involved in paying for that system. Our philosophy has been that the user ought to pay for the roads, and I think that should include everybody.

I am exorcized by the fact that counties and States who do their own construction and resurfacing, redevelopment work on the roads don't have to pay the fuel taxes, nor do they have to pay the license fees to use those roads that they charge the rest of us when they are competing with us to do that work.

Does that answer your question?

Senator EVANS. It certainly does. I think you are saying, in essence, that let's not have any exemptions.

Mr. REECE. I think we should have no exemptions.

Senator Evans. That if there are reasons for subsidy or for some other reason people feel they are paying too much, they ought to get it from other sources rather than the user fee.

Mr. Reece. We in the industry would prefer it that way.

Senator Evans. You mentioned the problems with section 105(f). I am sure you are aware, as we all are, of the rationale for that provision in the first place and the attempt that is trying to be made to expand opportunity to minority contractors to build a group that can be an effective part of our total picture, eventually not just as subcontractors but as major contractors themselves. You do mention at the end of your testimony you thought there were better alternatives than section 105(f).

Has the AGC proposed in any detail what those alternatives might be that would achieve the same purposes in a better way?

Mr. Reece. Yes, sir, I think so. We have proposed training programs, efforts to develop disadvantaged business people in the marketplace, and efforts that we as AGC and individually have made in developing those kinds of experienced people. However, you don't make a contractor in a year's time. It is very difficult.

Senator Evans. You can break a contractor in a year's time.

Mr. Reece. Yes, real easy. We have experienced those kinds of things. I think you can break them real quickly.

But it takes us in the market where I work, it takes us 12, to 15 years to develop a supervisor from scratch. The people who come to work in the territory where I started and when they start to work, they don't know a hammer from a pair of pliers, it takes time for physical skills that they have to become familiar with, to get acquainted with the process of building the work, and they have to become acquainted with the process of building the work before they can manage other people who are building the work. They then need to learn how to manage their own techniques so that they can then manage the process of the construction work. And from that point they might develop to be construction company management people. But until they get acquainted with the work, it is almost impossible for them to manage the work.

I heard one of my friends the other day suggest that it is no more realistic for a person to be named a contractor overnight than it is for a doctor to be told he could operate and given him a patient just because he is in medical school. I think that is very true. You have to have somebody acquainted with the process before you can become a responsible, reliable bidder, reliable contractor in the system. And it is impossible to start them overnight and become one immediately.

Senator Evans. Are you aware of any programs that any of the AGC Chapters are carrying out or the national organization may be sponsoring that would encourage or provide some special emphasis in just that kind of process, to bring along particularly those minority members of the construction work force who can be, through whatever extra training and help and education and experience, developed into just those kind of managers?

Mr. Reece. Yes, sir. At least in my chapter, and I think in most chapters of AGC around the country—John could correct me if I am wrong—but I think in almost every chapter we are having seminars, we are having discussions with people involved in the awarding process to try to get them and us together and to get seminars developed, get training programs developed, get technical school development for those people. One of the big problems, though, is it is imperative that we do that subcontracting now, not 10 years from now when it is going to be possible. It is something that has to be done in relation to that 1982 act.

In my experience, the people who are out there bidding for the DBE work who are legitimately disadvantaged businesses are really most of them very sincere, but most of them willing to admit the fact that they can't do it. One of them suggested the other day he didn't want to listen to all this monkey business about bonding and getting financial support. All he wanted to do was get the contract so he could, if you will forgive the expression, so he could subcontract the work to whitey so he could get the work done. This happened in a seminar I was at just last week.

So it is something that they have to learn to do, not something they can be directed to do by a fiat from Congress, if you will.

Senator SYMMS. Senator Mitchell, do you have any questions?

Senator MITCHELL. I have no questions at this time.

Senator SYMMS. I have one closing question. What is the impact of the delay for releasing the interstate on the construction industry, and what will be the impact of a further delay in terms of accomplishments and cost?

Mr. REECE. It is very serious to my particular business and I think to the whole construction industry. We need an ongoing, steady, reliable program in order to develop a capital structure in our business that can, for instance, make orders down the road for capital goods. We can't buy a crane today and get it delivered next week. It takes several months to get a crane delivered to specifications today. We can't buy structural steel today that can be delivered as soon as it was 3 years ago relatively, because the structural steel industry is depressed. The markets are depressed to the point where the pipeline is now full. Unless there is a steady program, we won't get the structural steel industry back to its proper perspective toward building structural steel for road systems, nor will we get the contractors geared up to where they can do an adequate amount of road work unless the program is steady, ongoing and dependable.

Senator SYMMS. Thank you very much. I appreciate your testimony.

Mr. REECE. Thank you.

Senator SYMMS. The next witness is Robert E. Farris. Would you come to the table. While you are coming up, we recognize our distinguished colleague from a State lesser known for its potatoes than mine, Maine, Senator Mitchell.

Senator MITCHELL. Thank you very much, Mr. Chairman. We can't leave Washington out of the potato act.

Senator EVANS. No. We got in big trouble saying the best Idaho potatoes in the world are grown in Washington.

## STATEMENT OF HON. GEORGE J. MITCHELL, U.S. SENATOR FROM THE STATE OF MAINE

Senator MITCHELL. Mr. Chairman, Senator Evans, I appreciate the opportunity to be here and to provide the members of the Subcommittee on Transportation with information on the critical need for a highway demonstration project known as the Brunswick-Topsham bypass in Maine. The purpose of the project is to provide a crtically needed access to the Brunswick Naval Air Station, an important defense facility, and to the Bath Ironworks, a major defense contractor.

The project as presently planned would require $50 million to complete. Currently, the major access from Interstate 95 to the naval air station, which has 4,700 employees, and to the shipyard located nearby, and which is Maine's largest employer with 8,500 employees, runs directly through the principal business district of Brunswick. This creates serious traffic congestion and hinders access to these defense facilities.

Therefore, I ask for consideration of an amendment to the Surface Transportation Assistance Act to provide a controlled access that would connect these facilities with I-95, while bypassing the city. As I stated, an authorization of $50 million is required to complete the project as currently planned. However, I have asked State and local officials and interested residents of the Brunswick-Topsham area to work with me in an effort to identify a most cost-effective bypass alternative that may be available. It is my hope that the State department of transportation can complete a study which is about to commence by this fall, and that will hopefully recommend an alternative that will not require the full amount of funding authorized. That remains to be seen, and we will look forward to the result of that study.

Mr. Chairman, I appreciate the opportunity to bring the need for this bypass to the subcommittee's attention. And I would like to include in the record a copy of the letter from the Department of Transportation of the State of Maine in the hearing record which identifies the bypass as a top priority for the State.

Senator SYMMS. Without objection, it shall be in the record.

[The letter referred to follows:]

STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
TRANSPORTATION BUILDING
STATE HOUSE STATION 16 AUGUSTA, MAINE 04333

GEORGE N CAMPBELL JR.
*Commissioner*

September 27, 1983

TELEGRAM TO

The Honorable George J. Mitchell
Washington D. C.

From: George N. Campbell, Jr., Commissioner
Maine Department of Transportation

This is to urge your favorable consideration of our proposal to amend pending federal legislation which would provide essential funds to the State of Maine for the purpose of constructing a critically needed connection between I-95 in Topsham and U.S. Route 1 in Brunswick in the vicinity of Cook's Corner.

As you know the citizens and public officials in the Brunswick Topsham area have requested that a new, modern facility, as I have described above, be constructed to relieve severe traffic congestion in the Brunswick-Topsham urban area, and to provide improved traffic service to the important defense facilities in Brunswick and Bath, and to improve traffic service to others using this important corridor.

Funds available to the Maine Department of Transportation are woefully insufficient to even consider major facilities of this sort. Special funding is essential if we are to succeed in responding to this critical need. Your assistance in this matter is greatly appreciated.

Senator **Symms**. I appreciate your bringing this to our attention. We will certainly work carefully with you to try to see what we can do to work out the problem. I think you are as well aware of our problems on this committee as anyone, but we appreciate your concern and interest. I know that is critical up there with respect to national defense and good access to the shipyard there.

Senator **Mitchell**. I thank you, Mr. Chairman, for your courtesy in taking my appearance out of order.

Senator **Symms**. No problem. We are happy to have you here.

Mr. Farris, please go ahead.

## STATEMENT OF ROBERT E. FARRIS, COMMISSIONER, TENNESSEE DEPARTMENT OF TRANSPORTATION

Mr. **Farris**. Mr. Chairman, I have a written statement that I have submitted and would like to request it be included as part of the record.

Senator **Symms**. Without objection, it will.

Mr. **Farris**. Mr. Chairman, committee members, ladies and gentlemen, I wish to express my appreciation for having this opportunity to present to you my thoughts on the Federal-aid highway program. First, I want to say that the Surface Transportation Assistance Act of 1982 was a major step toward meeting the critical rehabilitation needs of the Nation's roads and bridges. In Tennessee, we are beginning to make excellent progress toward upgrading our highway system and our bridges. We are extremely pleased with the progress we have made in our bridge replacement program, especially the antiquated bridges on our local roads and streets that have been neglected for so long. We definitely feel that credit for much of our success in the off-system program is a result of section 132 of the STAA. Since we have successfully demonstrated in Tennessee the benefits of section 132, I recommend that section 132 be amended to continue this program, giving any State the option to utilize our demonstrated approach to the replacement for off-system bridges if a State other than Tennessee so desires.

Today, I would like to discuss a highway transportation need I feel is essential to the economic future of the Nation that is not being met and cannot be met under the structure of the present Federal-aid highway program. This need is for constructing and improving the access roads needed to adequately serve new and expanding industry. We have almost completed the interstate highway system which does an excellent job in moving traffic across country. Our big need now is to provide the access and circulation needed at the ends of the cross country travel. Our problems occur at the terminal points primarily where goods and services are produced. This problem has not been sufficiently addressed in the STAA of 1982, and I am sure you will find that this need which is common to most States is not being met at the local level. The primary and secondary highway programs are not adequate to fulfill the role that highway transportation must play in supporting the nation's economy in a manner required to maintain this country's lead in technology. Since adequate highway transportation is essential to the economic future of our nation, I sincerely believe we should recognize and begin to address this need in any proposed new highway legislation.

I would like to take this opportunity to brief you on what we are doing in Tennessee, and suggest a role in our undertaking for the Federal-aid highway program. On November 9, 1981, Governor Lamar Alexander presented a conceptual proposal to utilize the scientific and other technical resources of the Knoxville-Oak Ridge, Tenn., area that demonstrate how to facilitate expansion of existing technologically oriented industry and attract new high-technology business to the State of Tennessee. The Governor envisioned a packaging of the State's key technological resources into an entity and creating a cooperative private/public partnership capable of effectively supporting the formation and attraction of high-technology industry.

The Oak Ridge-Knoxville area is particularly suited for such development because of its relatively undeveloped, pastoral character; potential access to existing or planned high-speed arterial highways and commercial air services; suitability for low-density, campus-like development; and proximity to what could be called existing spheres of technological strength already in place.

In pursuit of this idea, Governor Alexander appointed a task force to assess the feasibility of the proposal and if found to be feasible provide specific recommendations for its implementation.

An inventory of public and private technology resources prepared by the task force revealed that the Knoxville-Oak Ridge area, with the land base provided by the existing and proposed segments of State Route 162, locally known as Pellissippi Parkway, could effectively serve the functions of a technology corridor.

Located within or adjacent to the corridor were such institutions as the University of Tennessee, the Oak Ridge National Laboratory, the Tennessee Valley Authority, and the Department of Energy facilities at Oak Ridge. All of these institutions have gained international acclaim in scientific fields. That recognition and the existing 20,000 high-technology jobs already in place provide a strong base for the development of the Pellissippi Parkway technology corridor.

As a part of the feasibility study, a task force study committee looked at developments elsewhere throughout the Nation, such as the Research Triangle in North Carolina, Route 128 in Massachusetts, and Silicon Valley in California, to determine how they came to fruition—their strengths and weaknesses, and the factors of their success that might relate to the various strengths and weaknesses of the Knoxville-Oak Ridge area.

The resulting assessment of the feasibility of the Pellissippi Parkway as a potential high-technology corridor revealed that this corridor has much in common with these three premier high-technology industrial parks.

The findings of the task force study also revealed a number of elements present in the Knoxville-Oak Ridge area that appeared to be common to all high-technology industrial development projects which have proved to be successful.

Based on the findings and the conclusions drawn from its research, the task force determined that a technology corridor is both feasible and essential if Tennessee is to more effectively attract and serve the specific needs of high-technology industry through a focused developmental and marketing effort. Although the task force identified some areas of weakness, it is important to note that these shortcomings can be remedied and, with a strong commitment, transformed into powerful tools for promoting the expansion and new growth of high-technology economic development.

The following four specific courses of action were recommended by the task force as being necessary to overcome the weaknesses identified and assure the success of the high-technology corridor.

One, a nonprofit corporation should be chartered to foster and support high-technology economic development.

Two, foster cooperative industrial research and service among the State's public and private organizations.

Three, take immediate steps for the construction of a campus for the State Technical Institute at Knoxville at a site within the Pellissippi Parkway corridor.

Four, extend Pellissippi Parkway as a full controlled access highway southward to the McGhee Tyson Municipal Airport and northward into Oak Ridge.

Realizing the enormous benefits to be gained from the high-technology based developed, Tennessee has made a firm commitment to implement to the extent of our financial capability these four task force recommendations. Not only do we feel that this undertaking will provide enormous economic rewards to the people of Tennessee, it will clearly deomonstrate to the Nation how a region's natural and human resources can be harnassed to meet the challenge of the future.

The fourth and most costly recommendation to implement is completing the extensions of Pellissippi Parkway. The State has committed over $10 million of State and Federal-aid primary highway funds to complete the northern extension of Pellissippi Parkway into Oak Ridge. Part of the construction on this extension is already underway, and engineering has been started on the remainder. The State has also committed over $50 million in interstate funds in improvements on interstate 40 within the corridor area, and $5.7 million in State highway funds for local road improvements within the corridor has also been committed, for a total highway commitment of over $65 million. We also have environmental and preliminary engineering studies underway on the Pellissippi Parkway extension from I-40 across the Tennessee River to the McGhee Tyson Airport. This extension is estimated to cost $130 million.

This $130 million project is beyond our capabilities of funding with our regular primary highway program. Yet it is vital to the success of our high-technology corridor and must be built as soon as possible.

I am, therefore, recommending that Congress include special funding for a highway demonstration project in the Pellissippi Parkway technology corridor. If this project is successful and our stated objectives are met, we feel that the nation can greatly benefit by taking advantage of other potential high-technology developmental corridors throughout the country. The proposed legislation being considered by Senator Baker will accomplish this objective.

After this demonstration has been proven successful, Congress then should consider a discretionary developmental highway program to be administered by the Secretary of Transportation to assist technological development throughout the Nation.

Because this project is located in a very environmentally sensitive area, we also intend to demonstrate by using the latest environmental engineering techniques available how a major highway facility can be located, designed, and constructed in a manner that will not reduce the quality of adjacent residential neighborhoods.

Many of the facilities that will be served by extending the Pellissippi Parkway are U.S. Government owned and energy research related institutions. Also, many of the private companies located within the corridor have evolved as a spin-off from the government institutions. We, therefore, feel that our request for Federal assistance in our undertaking is justified for several reasons. First, a large part of the transportation needs in the area were either the direct or indirect result of Federal Government activity. A disproportionate share of the cost of meeting the transportation needs of the area generated by this activity has been borne by the State of Tennessee. And second, the accomplishment that can be demonstrated by the implementation of this project is twofold: One is a demonstration of how highways can support local and regional economic development goals, and the other is how a major highway facility can be made compatible with adjacent land uses, both residential and industrial. I, therefore, sincerely recommend that you give this proposal your favorable consideration.

Senator Symms. Thank you very much for your statement. I just have one question I would like to ask, and that is, in Section 132, of the Surface Transportation Act, there was a bridge demonstration project in Tennessee. Could you describe how that has been worked out? Have there been bridges rehabilitated? Is it underway? What is happening?

Mr. Farris. Thank you, Senator Symms. This program has been quite successful. We were concerned about the lag that was occurring in the replacement of our off-system bridges, those bridges that existed off the Federal system. And we proposed that we try to accelerate that and make the maximum use of the resources that were made available to us, part of which were in Federal dollars.

So what we have done is established within our State a State grant bridge program in which we made available on the same basic ratio that the Federal bridge program was existing an 80/20 match, but with some differences. We allowed the counties to participate in this program by a 20 percent soft match. In other words, recognizing there was some existing resources within the county such as their own forces where they could using their own rock quarries provide the approaches to these bridges, and in some instances through cooperation with their local residents the right-of-way was donated to them. We were able to move a program that was somewhere in the neighborhood of 120 to 130 bridges in a year, to in a period in of 20 months to well over 1,200. We did not change the structural standards of bridge structure itself. We built the same bridges, but by doing it faster and doing it more economically we saved approximately $12 to $13 per square foot on the cost of our structure, and we accelerated a program rapidly.

What we got in the way of cooperation with the Federal Highway Administration and the Congress was, if we were committing our local resources at that point to address a very serious off-system bridge problem, we simply asked those dollars be counted as Federal match against the future Federal bridge program. That is what section 132 did. It did not discourage us then from committing local resources to accelerate this program. That could have ultimately penalized the State, but under section 132, there was no penalty, but rather an improvement. We have marshaled all our resources, both Federal and local, both State and county to really address a very difficult and serious problem.

Senator SYMMS. Do you think we should look further to that?

Mr. FARRIS. I would strongly recommend it. The Federal Highway Administration sent a team down and looked very carefully at what we have done. They are very pleased from what I understand. We are certainly pleased. It is a very popular program in Tennessee. For our particular State having 81,000 miles, we had over 17,000 bridges in our State, which is a lot of bridges for that amount of miles. Most of the deficient structures were off our system. With the 35 percent limitation in the Federal program and the specific requirements and procedures that we all were following, we were just moving too slowly in trying to address that critical need. We have now moved into an area where we have accelerated that rapidly. We have replaced them with good bridges, and at considerable savings. I think the public's need is being effectively addressed by this procedure. I would certainly like to see you make this available to any other State that would opt to take this position we have demonstrated to be successful.

Senator SYMMS. Thank you very much. An excellent statement. Senator Evans, do you have any questions?

Senator EVANS. I suspect this won't be the only request for new sources of expenditure for the highway moneys that come out of the Federal Government.

I understood from your statement that the Interstate System in Tennessee is essentially completed at this time.

Mr. FARRIS. We have one 12-mile section that is currently now under contract. It will be completed and open to traffic in its entirety in early 1986.

Senator EVANS. What are the problems you are running into or you are looking at insofar as maintenance of that system and the cost of maintenance as they might be matched against continuing allocations from the Interstate System?

Mr. FARRIS. Senator Evans, as I see it, once we have completed the major cost of construction, obviously the system itself is beginning to go out beyond its life cycle. Each of us, every State, has sections now that have gone beyond its life design standards. There are sections of the interstate that are now overloaded; they are beyond their functional capacity. There are interchanges now that need to be brought up to current functional standards.

So I would like to see us consider, once we complete the ICE portion of our act, that great emphasis be placed on the 4R aspect as well as the primary system. The next major need, in my humble judgment, across this country is the upgrading of our primary system, those roads that served us so well before the interstate was built. They are now in dire need of being brought up to current standards and to be restored and repaired and rebuilt. So perhaps we ought to consider at some point taking our 4R funds and our primary funds and bringing those together and letting States then establish within reasonable limitations their prioritized needs within that State on how those funds are going to be used, continuing to address the Federal needs as well as the State needs. But at some point a State may have a stronger need in the primary road section than they do in rebuilding their Interstate System. But as long as we continue to categorize those, this places some real limitations on how we can address those needs.

In the confines of our State, I concur we have a great need. A good example is why I brought this example here today. Tennessee gets about $41 million in primary roads, $16 million of which is dedicated to 3R activities, leaving about $25 million to address new construction on over 5,000 miles of road. With this one project, it would severely inhibit us from being able to effectively address our primary needs in Tennessee.

Now our State has an industrial-oriented portion of our program in which we will assist a county in the development of an industrial park by providing them one access road into that park. The Federal Government doesn't have that. And I am merely presenting this idea to you for consideration, that there are resources scattered around our country that with local support and with private sector support could warrant that additional road access in order to make it a viable technological area. Yes, the Oak Ridge National Laboratory, the Department of Energy is located there, and my statement that I have submitted for inclusion into the record locates all of the industries that are now functioning in that area. We are committing dollars to build the high technology institute along the parkway, to develop a center of technology at the University of Tennessee. Again, marshaling all of those resources together, we feel like the Nation can benefit by this kind of program.

So I merely submit this for your consideration as an additional avenue for consideration in the Federal highway program.

Senator EVANS. If this amount of money were available and there were some flexibility in its use in Tennessee, would this be the highest priority project on the primary or other system in Tennessee that you would use it on?

Mr. FARRIS. The reason I have set this apart for consideration is that this has two primary purposes. It is a transportation need, but it is also an economic development need. It has two priorities. Both of those put together make it a high priority need.

Senator EVANS. Is the economic portion of that a national responsibility or State responsibility?

Mr. FARRIS. I think it is a joint responsibility. Here we are looking at the need nationwide to improve our R&D capabilities, to enhance our technology resources. The Nation has contributed sizable dollars to development of this kind of facility in the Oak Ridge area itself, through the Oak Ridge National Laboratories and through the Department of Energy and in some instances through the Tennessee Valley Authority. This links it all with what the State is willing to commit in terms of its resources and revenue.

Senator EVANS. It seems to me you mentioned the Silicon Valley and Route 128. As I remember, both of those essentially grew from internal or local sources and didn't require Federal assistance. There will be a number of other States, I suppose almost every State in the Nation is looking forward to a high technology future. Some will be centers; some will not. I guess it seems to me that is primarily an initiative of the State rather than the Federal Government, otherwise we are going to have 49 other States in here seeking the same sort of extra special access.

Senator SYMMS. Thank you very much, Senator.

Thank you very much, Mr. Farris, for your testimony. We appreciate having you here this morning.

Next I would like to call up Dr. Brenda J. Hamer, who is the executive director of the American Institute for Transportation and Business Development; and could Mr. William J. Miller, director of the Delaware River and Bay Authority, representing the International Bridge, Tunnel & Turnpike Association, and Ms. Claire Leven of Preservation Technologies, Inc., and Dr. Robert Levinson, representing the American Correctional Association, come up and each one of you take a microphone. We will start out with Dr. Hamer testifying first, and we will have each person testify. Would you all summarize your statements in 5 minutes, and then we will go to questions. We will try to see that everyone has an opportunity to be heard.

Is Dr. Hamer here?

[No response.]

Senator SYMMS. Who is here from the American Institute for Transportation and Business Development?

[No response.]

Senator SYMMS. We will pass over that.

Is Mr. William Miller here?

Mr. MILLER. Yes.

Senator SYMMS. Mr. Miller, please proceed.

## STATEMENT OF WILLIAM J. MILLER, JR., DIRECTOR, DELAWARE RIVER AND BAY AUTHORITY, REPRESENTING THE INTERNATIONAL BRIDGE, TUNNEL & TURNPIKE ASSOCIATION, ACCOMPANIED BY ARTHUR BERG, CHAIRMAN, IBTTA LAW COMMITTEE

Mr. MILLER. Mr. Chairman and members of the subcommittee, I am William J. Miller, Jr., director of the Delaware River and Bay Authority which operates the Delaware Memorial Bridge and the Cape May-Lewes Ferry across the Delaware River and bay. I appear before you today as a representative of the International Bridge, Tunnel and Turnpike Association. I am a former President of IBTTA and currently serve as chairman of the Governmental Relations Committee. With me, on my right, is Arthur Berg from the Port Authority of New York and New Jersey, who is chairman of the IBTTA law committee.

IBTTA represents 50 toll authorities in the United States, stretching from Maine to California. Our members operate nearly all the major toll highways in the country and the major toll bridges, including the Verrazano-Narrows, George Washington, Ben Franklin, Golden Gate, and my own Delaware Memorial Bridge.

A report was prepared by IBTTA in 1982 entitled "The Need for Eliminating the Federal Government's Statutory Review Power over Bridge Tolls." I would like to quote briefly from the summary to that report and add some additional comments.

Existing Federal statutes relating to bridge tolls are a conglomeration of individual pieces of legislation enacted over a period of many years to serve different objectives having no central theme or policy.

The statutes are inconsistent. Tolls on certain bridges over navigable waters are federally regulated. Other bridges over the same bodies of water are not regulated. Tunnels under the same navigable waters are totally unregulated by the Federal Government. The map attached to my testimony illustrates that situation on the Hudson River from New York Bay to Selkirk, N.Y., just south of Albany.

The primary purpose of the Federal bridge statutes is not the regulation of tolls but the protection of water navigation from obstructive bridge building. Once the bridge design plans have been approved by the authorized Federal agencies—the Army Corps of Engineers and the U.S. Coast Guard—no further navigation decisions are required. Thereafter, the regulation of bridge tolls should be the responsibility of the State or States in which the bridge is located.

Existing Federal laws are a major obstacle to orderly financial planning. Toll-regulated bridge agencies cannot make timely decisions on toll increases needed to meet obligations or to pay for essential capital or safety improvements, because they cannot know for certain if the increase will ultimately be sustained by Federal regulators.

Such Federal regulatory procedures usually require a lengthy adjudicatory process, some of which have lasted 5 years or more before resolution. Under inflationary conditions, these delays are very costly and may actually present needed improvements.

Federal deregulation of bridge tolls would eliminate wasteful review expenditures at both Federal and local levels, would save innumerable hours of manpower by Federal and bridge agency personnel and legal counsel. Often, by the time a toll increase has been approved by the lengthy Federal process, inflationary economic conditions necessitate a new increase, and a subsequent resumption of the costly adjudication ritual.

Repeal of existing regulatory legislation would still leave the bridge user with a Federal remedy, since any aggrieved toll-payer, or the Federal Government itself, could seek judicial review of a toll increase under the Commerce Clause of the U.S. Constitution, as an alleged impermissible burden on interstate commerce. Furthermore, the States themselves have the power to regulate effectively the tolls on bridges.

Present Federal statutes make the construction of any new interstate toll bridge economically difficult. Deregulation would eliminate the existing impediment of Federal regulation over toll revenues, thus attracting investment at lower rates of interest and under more secure overall terms.

It is difficult to understand why the George Washington Bridge is regulated while the Verrazano-Narrows Bridge is not. It is difficult to justify Federal regulatory control over tolls on the San Fransicso-Oakland Bay Bridge while there are none on the Golden Gate Bridge. There is no logic to having Federal regulatory power on some bridge over navigable rivers and bays, while there is no regulatory authority applied to tunnels under navigable waters or to ferries that travel on those waters.

Elimination of the Federal regulatory authority is consistent with current Federal policies favoring deregulation of fare structures of all modes of transportation. It would also be consistent with evolving Federal highway policy which is moving toward recognition of toll or user financing as a practical means of providing essential transportation needs at the State and local level.

Mr. Chairman, the administration draft of the Surface Transportation Assistance Act of 1982 included toll bridge deregulation language. Therefore, the position of the administration has already been established. We know of no opposition to bridge toll deregulation.

Mr. Chairman, this concludes my remarks. I would ask, however, that the report IBTTA published on toll bridge deregulation which I have with me be entered into the record. The report provides much greater detail on the issue than I have presented.

Thank you for the opportunity to appear here today, Mr. Chairman. I and Mr. Berg will be happy to answer any questions.

Senator SYMMS. Thank you very much for your testimony. If you could just stay at the table and we could hear from the other witnesses, then we will have questions.

Ms. Leven, please proceed.

## STATEMENT OF CLAIRE LEVEN, PRESERVATION TECHNOLOGIES INC., AND PROFESSIONAL WOMEN IN CONSTRUCTION OF NEW YORK STATE

Ms. LEVEN. Senator Symms, Senator Evans, my name is Claire Leven. I am owner of Preservation Technologies Inc., a certified WBE, organized in 1979 in New York State as a contracting business specializing in concrete repair, currently working on a New York State DOT project, and vice president of Professional Women in Construction, a nonprofit organization which educates its members and the community for the purpose of mainstreaming women into the business sector and insuring their full participation in the free enterprise system. Professional Women in Construction is a support group for minority and nonminority women in construction and allied industries. We have been involved in a 4-year old struggle for equal opportunity with other disadvantaged business owners in the Government marketplace. I have been asked by Lenore Janis, president of Professional Women in Construction and owner of Era Steel Construction, a certified WBE subcontractor who is presently involved in transportation projects in New York, New Jersey, Connecticut, and Pennsylvania, to relay her experiences to you, as well as my own. She regrets she could not attend.

I am here today at your kind invitation to help you in any way I can as a WBE and as a representative of Professional Women in

Construction, to bring about a more effective and meaningful affirmative action program for women by increasing their participation on U.S. Department of Transportation projects.

Women do not believe that the Department takes their own minority business program seriously. The very fact that a 10 percent minimum goal has been named for DBE's and no minimum goal named for WBE's in the Surface Transportation Assistance Act of 1982 reinforces this belief. Indeed, without mandatory and separate minimum goals for women on transportation projects, the program's objective, that of encouraging women into the business mainstream, is, in our opinion, unattainable. It has been our experience that grantees and general contractors pay little attention to WBE's on projects where insignificant goals are named for them. If Congress wishes to demonstrate its good faith in assisting women business owners, it should amend the Surface Transportation Assistance Act to require a 10 percent minimum goal for WBE's as a first step.

We do not understand the reasoning that named a 10 percent minimum goal for DBE's and named no minimum goal for WBE's. Women are and continue to be disadvantaged business owners. They have the same problems and struggles as DBE's, with the additional burden of sex discrimination in a male dominated industry. Women who have been certified by Government agencies should be given the same consideration as the certified DBE in order to insure that both minorities and women participate fully in the program. Women are disadvantaged for the obvious reasons: They are small, new to the marketplace with little or no track record; they are underfinanced with lending institutions denying them loans; they lack a strong support system because of their small number; and they are unsophisticated in doing business with Government agencies encumbered with bureaucratic regulations and procedures.

Furthermore, women are disturbed, for example, to find that the Connecticut DOT has named a 0.5-percent goal for WBE participation. The Connecticut DOT has many projects under $500,000, which translates into a WBE subcontract or $2,500. In my particular trade, that amount would hardly cover the mobilization. In fact, there are no items of work in that size contract that I could hope to close when the general contractor need go no further than 0.5 percent in order to meet his WBE goals. General contractors are forced in some cases to chop up an item to meet these bare minimum goals. Ms. Janis reports that a $19,300 subcontract on a New York City Transit Authority project which was carved out of a $200,000 steel item covering loose-end work was awarded to her only to meet the 2-percent goal.

Women business owners are having difficulty securing contracts without assistance from the various agencies involved in transportation projects. We have found that outreach programs are ineffective or nonexistent. Agencies administering the projects are unwilling or unable to find effective ways to increase the participation of women on these projects and to help them resolve their problems on the job. More often than not, women have no place to turn to for assistance, be it financial, technical, or procedural.

From my own experience as a WBE on the job and the experiences of other WBE's working on Government agency projects, problems arising over change of work orders, disputed work, delays, or other situations, can and do result in severe economic hardship on small WBE subcontractors. We suggest that some kind of ombudsman program be started up to address these issues so that conflicts may be settled in a speedy and fair manner.

One of the most difficult problems WBE's face is the financial one. We urge that programs such as low-interest SBA loans for startup capital and Government sponsored loans for working capital be continued and increased. These programs are vital to achieving our common objectives.

In conclusion, we recommend the following for your consideration: a named goal of 10 percent for WBE participation; an outreach program to educate women on the opportunities available to them, and to increase their participation; a support mechanism to deal with technical, financial, and procedural problems so that they can grow into independent, viable business entrepreneurs.

Thank you for your time.

Senator SYMMS. Thank you very much. I appreciate your testimony.

Now we will hear from Dr. Robert Levinson.

## STATEMENT OF ROBERT LEVINSON, CORRECTIONS CONSULTANT, AMERICAN CORRECTIONAL ASSOCIATION

Mr. LEVINSON. Mr. Chairman, members of the committee, I am pleased to be here on behalf of the American Correctional Association. I have some copies of testimony which I hope will be placed in the record.

Senator SYMMS. Without objection, your entire statement will be part of our record.

Mr. LEVINSON. What I would like to do in the interest of time is briefly touch on some of the highlights of the testimony.

Correctional industries in the U.S. prisons, whether State or Federal, have been under attack for many years. In fact, the 20th century has witnessed a dramatic decline in the correctional significance of prison industries programs. At the turn of the century, 80 percent of the inmates in our Nation's prisons were engaged in industrial operations. Today, only 10 to 15 percent of the Nation's prisoners are engaged in productive work.

Efforts to further reduce the number of inmates working in prison industries are always present in legislative bodies, who are continuously asked on behalf of constituent industries to lessen the impact of prison industries on the public sector. Numerous studies of prison industries have been made by a variety of sponsors. Widespread and concerted efforts to remove industries from our Nation's prisons have continued unabated over the last several years. This serves to increase the level of violence in correctional facilities because it increases inmate idleness. The earlier cited statistic, only 10 to 15 percent of all inmates employed in prisons, is both a national figure and national disgrace.

The general trend is the level or prison industries has been reduced significantly as prison population and overcrowding persists.

Several States have attempted to reduce or eliminate barriers through the sale of products made by prisoners. In 1970, almost all States limited sales of prison industry products only to State use. Today, at least 20 States allow sales to the private sector.

Another recent change is the emergence of new laws calling for businesslike operations of prison industries. So far, 12 States have enacted this type of law.

The major problem facing the correctional administrator or warden is trying to operate a well-run institution. This concerns primarily how inmates spend their time day in and day out in the facilitiy. As is common knowledge, prison sentences imposed since 1972 have lengthened considerably. The result, prisons throughout the United States are overcrowded by as much as 150 percent of capacity. With the number of inmates rising and number of jobs decreased, the amount of idleness reaches catastrophic proportions.

The conventional mandate for prison administrators requires not only a smooth running operation, but allowing inmates to gain knowledge and skills while incarcerated that will reduce the likelihood of their being a burden when they return to society. This is difficult. It becomes impossible if we don't provide for proper job assignments in prison. The word "warehousing" has become common among critics of the prison system. It is deserved to the degree we don't make a decent attempt to rehabilitate the inmate.

Correctional officials believe that the work is the most significant experience an inmate can undergo while in a prison environment. Most prisoners coming to institutions have not had full-time work, have not had steady employment, have not participated in the national work ethic of a normal 8-hour day job.

Overcrowding and poor work skills lead to a tremendous amount of featherbedding when there are not enough meaningful jobs in prison environments. Placing two or three prisoners on a job whose successful completion requires only one person results in inmates' gaining unrealistic expectations about workplace habits. On the one hand, the public wants well run insituations and does not want riotous conditions. On the other hand, it restricts correctional administrators from employing inmates in proper work that will develop job skills that will lead to gainful employment upon release.

To conclude, it may be in the best interest of a free, democratic society to allow its prison system to operate responsible work programs for inmates. These can aid both the inmate and the State while not jeopardizing free enterprise. The options available to prison industries at this time are labor intensive which do not require large capital outlays to begin. It appears that the number of people being sent to prison will continue unabated over the next several years. We are approaching the half million mark,. 475,000 men and women are currently incarcerated. We may well reach three quarters of a million before 1990. The prison population for that year is projected to be 800,000.

Correctional officials should not have their hands tied while they try to operate safe and humane institutions As previously mentioned, work is a primary rehabilitative tool for inmates. Further, the process of developing productive work habits and skills for people in prison must begin at the instituational level.

Another major component of the administrator's goal is labor intensive industries that minimize the use of tools which can create dangerous weapons. Programs such as sign-making offer an opportunity to develop and use skills that will lead to jobs on the outside while not using potentially dangerous materials on the inside. Sign making operation is also part of the State-use concept. Both States and the Federal Government need such products. Prisons should be given the opportunity to produce them, including, if necessary, the opportunity to bid within the same context that a private sector bidder might. Legislatures should allow prison industries to supply States, counties, and nonprofit agencies with goods that can be produced by inmate labor.

If the concept of correctional industries is removed from the prison environment, the typical institution as we know it today will be more incendiary. These facilities confine men and women between the ages of 18 and 35, during some of the most potentially productive and robust years of their lives. Although correctional officials do not plan riots, we are realistic enough to anticipate we probably will have a riot in one State or another because of inmate idleness, because of inadequate opportunities for inmates to perform work.

Therefore, we request that the item in the bill that deals with restricting inmates from making road signs be carefully reconsidered. Thank you.

Senator SYMMS. Thank you.

I think I will ask you the first question, Mr. Levinson. Are there other prison industries or skills training programs that could take the place of sign making?

Mr. LEVINSON. There are over 75 different operations in various prisons arounds the country. For example, making furniture, making other types of equipment for State use and for use in the Federal Government by the Federal prison system. There are other possibilities. But the problem is that there is still not enough work in prison institutions to provide work for all the inmates who are currently incarcerated. And to remove this sign-making operation would exacerbate the problem. It would reduce the number of available jobs.

Senator SYMMS. Thank you.

Mr. Miller, with respect to the toll financing, I think you make an excellent point in your testimony. But if toll financing is allowed with Federal-aid funds, what requirements do you think we should put in place to assure that the toll revenues are not diverted to nontransportation uses? I am sympathetic to what you are doing, but there are examples of States, I think one of the examples was the Connecticut bridge that collapsed this year. The facts were the State had been actually charging a toll to run over that particular bridge and then diverting the money to the general revenues of the State. Then they come to the Federal Government and we bail them out on the bridge.

Mr. MILLER. That could be a problem, and we understand that. I would also say to you, Mr. Chairman, that at this present time, one of the facilities which is getting Federal financing is the Golden Gate Bridge in California, and it is not regulated. So that is a situation in which the Congress in a sense supported.

Senator SYMMS. What you are saying is there is no consistency.

Mr. MILLER. There is no consistency. On the Hudson River, the sketch shows there are two bridges side by side, one is regulated and one isn't. And if you go up and down the river, every other bridge is either regulated or isn't. The consistency is the problem.

I must agree that there should be and there must be conditions to satisfy the fact that tolls should not be used for unauthorized purposes. But that is a different subject really. That has little to do with the consistency activity.

Senator SYMMS. Mr. Berg, do you have anything?

Mr. BERG. Mr. Chairman, if I could just add one point to this. The legislation that we are proposing here applies only to bridges that have been built with State money not that have been built through Federal-aid. That is under a different statute than we have involved here.

Senator SYMMS. I see what you mean.

Mr. MILLER. Another thing, look at the toll roads. Some of the toll roads you are permitting Federal funds to be used but there is no regulation conditions there. So the inconsistency is the paramount subject.

Senator SYMMS. Well, it makes a lot of sense. I wouldn't want to predict this will happen, but if we came in here 10 or 15 years from now, I wouldn't be surprised but what more and more of the Nation's highways or interstate sections will be financed by some sort of toll financing.

This morning we have had three or four Senators in here asking for special projects. The risk we run in the subcommittee, if we accommodate these worthy projects, we get a veto from the administration because it goes over what the limits from the trust fund can stand and not with the formula. When I look at the list of things people have been talking to me about in the last few weeks, I wonder how we will accommodate, and if we do, what will happen to the trust fund after 1988 or 1989 when the authority for it expires.

So you probably make a good point. Deregulate the bridges now and see how it goes.

Mr. MILLER. The other part of it, we are not talking any financial request. We are quite well prepared to take care of our own financial condition.

Senator SYMMS. That is what I am interested in.

Ms. Leven, I want to ask you one question. First, I would like to compliment you. I have to note that I am always amazed at how women achieved status as a minority group in America and actually makes up the majority of the population of the county. So I think that is to your credit and I compliment you.

We hear a lot in this committee about States that cannot comply with the minority business requirements that are imposed in the Surface Transportation Act of 1982. Would you recommend that we should just change the law rather than lower the number back or have waivers for States, change the law just to include women business enterprise?

Ms. LEVEN. No, I don't recommend that you include the women in the same category; we support separate goals for WBE, and MBE's. First of all, I think that it would help if the States were required to have a better reporting system. We don't know, for example, how many women have actually done work on transportation projects in New York, whether there are one or two or three firms doing all the work or whether the work is being spread out among more women. And I think a better reporting system would help. We haven't been able to see any statistics at all.

Senator SYMMS. For my own edification, I would ask one other question. Say a construction company gets started and you have a man and wife involved, and after 10 or 15 years the man dies and the woman runs the business. Is that considered a WBE?

Ms. LEVEN. I am not sure.

Senator SYMMS. I am sure there must be some women contractors.

Ms. LEVEN. That is another problem. Every agency that certifies WBE's or MBE's has their own criteria or standards, whereas one may be very easy going another one may be very, very difficult to get certification. In New York, it is very difficult.

I might also add on projects in New York State, women have gotten more than the percentage named for them. So there are women out there who can do the work. As I pointed out, in my trade it is sometimes very impractical to bid on work where the percentage goal is 2 percent, and it might not even cover the mobilization.

Senator SYMMS. Thank you very much.

Senator Evans.

Senator EVANS. Let me continue along that same line.

Did you hear the testimony from the Associated General Contractors this morning?

Ms. LEVEN. Yes, I did.

Senator EVANS. Do you have any commentary on that proposal and what he suggested as it related to minority contractors?

Ms. LEVEN. I think that is helpful to minorities or women who want to start up. I know, for example, the Associated General Contractors in New York has an excellent apprenticeship program. I think they run about 16 individuals through it a year. Most of them are men, but there are a few women that go through that program, and it is very good. But it is not enough certainly. It doesn't address itself to women and minorities who are already in business. So that I think that these goals are vital if those who are already in business are going to close contracts.

Senator EVANS. You mentioned the difficulty, and you had some figures on the set-asides which are so small as to be virtually useless. How are those done? Is there any restriction in those set-asides to a woman-owned or minority-owned contracting firm from bidding for a larger share than the set-aside?

Ms. LEVEN. There are no restrictions per se, but generally contractors are not interested in giving subcontracts to minorities and women. I can tell you that from my experience and everyone I hear from.

Senator EVANS. Even though the bids are lower?

Ms. LEVEN. We bid low. I think we are competitive. We don't expect to get a contract if we are not low bidder. I think it is very difficult to get those contracts.

Senator EVANS. Do you have a feeling that general contractors are refusing or—I shouldn't say cautious or suspicious or whatever, that even when a minority or a woman-owned contracting firm submits the lowest contract bid, that they are still not getting the jobs?

Ms. LEVEN. I would say they are definitely reluctant to go with a new entity or someone or a company they are not familiar with in doing work. It is very difficult.

Senator EVANS. Is that a problem of just not wanting to go with a new entity regardless of who owns it or is it a particular problem if they understand that the enterprise is owned by either a minority or woman?

Ms. LEVEN. There is reluctance because the enterprise is owned by a minority or woman. Perhaps because they are newer firms, not in business that long, and they don't have the track record, that there may be apprehension.

Senator EVANS. Mr. Levinson, I had an opportunity for a number of years as Governor to try to muddle through the very same problems you are talking about, how to effectively provide work for those who are in our correctional institutions. It seems to me one of the things that we have done is all over the country, virtually without exception, provide work for inmates in correctional institutions and then pay them abysmally low wage rates.

Do you know of any correctional institution work that is being done where inmates are paid at the going rate that someone on the outside would be paid and then asked to set that money aside for either restitution for the victim of the particular crime or for some share of room and board while they are in the correctional institution, or even for a bank account that would give him a stake once they were discharged from that institution? Are you aware of any programs of that kind?

Mr. LEVINSON. There is talk about doing some of those things, particularly in private venture type operations in some State prisons. In this situation the prisoner is either permitted to go outside and work at the industry in the community or the product is brought inside where prisoners work on it. Presumably, they are paid the minimum wage for that industry. Then the kinds of things that you suggest happen—the inmate pays for room and board or restitution or building up a "stake" so he or she has some funds when released.

The problem is one, not having the money to do this on a larger basis, and, second, not having enough jobs for people in prisons who might want to participate. Were there these kinds of opportunities, you would also be able to take some inmate families off welfare. There are a variety of positive gains which could result if there were more work for prisoners in institutions. That is really the heart of the issue.

Senator EVANS. It seems to me you mentioned one of the big difficulties is that concern of other competing industries on the outside who feel this is in essence unfair competition.

Mr. LEVINSON. Right.

Senator EVANS. It seems to me much of that would disappear, or at least it would be considerably reduced, if the costs came from paying people the going or prevailing wages in the same industry on the outside, and I am not so sure it would cost the State all that much more. After all, they are paying for room and board, they are paying welfare for the families, they are doing all of these other things. They are paying, most States, I understand, half public restitution for victims of crime. I am not so sure there would be any great cost to the States. And you could get a lot further in the relationship with both labor unions and outside employers, and maybe we could all win in that process.

Mr. LEVINSON. I certainly agree that kind of program would be very helpful.

Senator EVANS. Mr. Miller, do I understand that the problem that you are talking about just applies to bridge tolls and just applies to the regulation of bridge tolls through those particular bridges under these various Federal acts, and what you are seeking in essence is a removal of that Federal jurisdiction? If that were to occur, would that open up further opportunity for States or communities to install tolls on already completed bridges, tunnels, or portions of the interstate system, or do you feel all of those are appropriately protected under this act?

I guess my concern is, if we make this little step, are we inadvertently opening up a whole new arena we are not aware of?

Mr. BERG. I think the first thing to consider, Senator, is there presently are a total of 374 toll facilities in the United States. This includes bridges, tunnels, turnpikes, ferries. And of these 374 toll facilities, only 94 of them are presently regulated by the Federal Government.

Senator EVANS. I understand that. And if we were to remove Federal regulation of those 94, they would presumably be in essentially the same position as the other existing toll facilities.

What I am concerned about is by removal of this regulation, are we opening up the opportunity for new toll facilities being installed on already completed bridges, toll roads, tunnels or turnpikes?

Mr. MILLER. That would not be possible.

The other thing, Senator Evans, I would add, I attended a meeting of the highway meeting down in Florida last year, and one of the Congressmen said in talking about some legislation, "If it isn't broken, let's not fix it." We think this is broken and needs to be fixed.

Senator EVANS. And you are still working under an act that was last passed in 1928; is that correct?

Mr. MILLER. Actually it started as far back as 1899, and the most recent was 1972.

Senator EVANS. That was the last amendment?

Mr. MILLER. It was the International Bridge Act of 1972. The general bridge act under which most of these facilities were enacted was 1940. But it has a long timespan, but it really needs to be addressed, and we think the appropriate procedure would be to enact the legislation which would just take the Federal interest out of it. We are only talking about toll regulations. That is the pertinent point.

Mr. BERG. You have bridges side by side, with one being regulated by the Federal Government and the other not, depending on the time that the bridge was built. Because all of these bridge acts, they only acted prospectively; they didn't repeal the prior bridge act.

Senator EVANS. Thank you.

Senator SYMMS. Thank you very much, Senator.

We thank all the witnesses.

We will call up our last witnesses. Mr. Ed Price, the director of public relations of National Gypsum Cement Division; Mr. Larry Hall, vice president of Hall Signs, and president of the sign division, American Traffic Services Association; and Mr. Sam Patterson, president of the Citizens Against the Pellissippi Parkway Extension.

I might just ask again if Dr. Brenda Hamer is in the room now. [No response.]

Senator SYMMS. Dr. Hamer is not here.

We will now hear first from Mr. Ed Price. And if you could limit your statements in 5 minutes.

Mr. PRICE. I am Ed Price.

Mr. HALL. I am Larry Hall.

Senator SYMMS. Mr. Price, please go ahead.

## STATEMENT OF ED PRICE, DIRECTOR OF PUBLIC RELATIONS, NATIONAL GYPSUM CEMENT DIVISION

Mr. PRICE. Thank you.

I am Edward J. Price, director, governmental and public affairs for the Cement Division of National Gypsum Co. We manufacture and sell cement in the Great Lakes and Northeast regions of the United States. Our company appreciates this opportunity to speak to you today on this very important matter.

In the audience are representatives from nine of the largest cement manufacturers in the United States, making up over 50 percent of total cement capacity. We believe there is good reason for Congress to give serious consideration to the reinstatement of the "Buy American" provision for cement in the Surface Transportation Assistance Act of 1982. In Congress haste to pass the emergency relief legislation (H.R. 4957), which appropriated funds for State highway construction, it also approved language which deleted the word cement from the Buy American provision, thereby allowing the use of foreign cements in these projects. The effect of this on domestic cement producers, primarily in those States near our borders, will be significant. It will have a negative impact on employment at these plants at a time when the domestic cement industry is starting to pull out of its deepest recession in over 30 years.

Moreover, the deletion of the Buy American provision for cement in the Surface Transportation Assistance Act of 1982 is not justified when current foreign practices and laws are subject to closer scrutiny. Our company, and I am sure other U.S. cement companies, want to compete in foreign markets, but unfortunately, provisions in their policies have made it extremely difficult.

While Canadian owned cement companies have been complaining about the unfairness of the Buy American provision, they have probably not mentioned their own government's discrimination against foreign suppliers. First, in our situation, bidding in Canada is not an open issue. Solicitation of bids are usually directed at domestic suppliers registered on a comprehensive source list. The source list identifies qualified suppliers without advertising, and it is prioritized on the basis of domestic versus foreign suppliers. Second, even if a foreign firm can qualify to bid on a project, an additional preference puts them at a disadvantage with a 10-percent premium on Canadian content. This mean that even if a foreign supplier has a 10-percent lower cost, the Canadian supplier will get the business. Third, both the Canadian federal and provincial levels of government have procurement preference policies designed to assist Canadian firms in competing with foreign producers. These policies result in a number of available practices since Canadian regulations are not spelled out like those in the United States. This allows for a broad application of domestic preference which could show up in contract requirements, evaluation of bids, and consideration of special social or economic factors. At a minimum, if all the factors were equal, the procedures allow for the selection of domestic over a foreign source. These policies extend down into provincial government and in the case of Ontario, an even more protectionist policy has been implemented. An aggressive "Buy Canadian" public sector policy has urged that hospital, crown corporations, municipalities, and educational institutions adopt such policies. It should be stated that the Canadian Government can also use the Foreign Investment Review Act [FIRA] to inhibit competition from foreign companies by forcing the completion of a lengthy and detailed review process.

All of these policies put the U.S. cement companies at a severe competitive disadvantage and, unfortunately, we think this type of activity is increasing. The Canadians want the best of both worlds: free access to the United States and limited competition in their own country. The Buy American provision for cement serves the purpose of offsetting some of these inequities, and we believe that Congress is not opposed to that principle. Although our experience has only been with the Canadians, I am sure the other U.S. cement producers could provide similar testimony about the unfair competition with Mexican, Japanese, and Australian cements being imported into other parts of the country.

I thank you for your attention and would be willing to answer any questions you may have for me.

Senator SYMMS. Thank you very much, Mr. Price.

Mr. Hall, go ahead, please.

## STATEMENT OF LARRY HALL, VICE PRESIDENT, HALL SIGNS, AND PRESIDENT, SIGN DIVISION, AMERICAN TRAFFIC SERVICES ASSOCIATION

Mr. HALL. Yes, sir, Mr. Chairman.

Senator SYMMS. Before you start, is Sam Patterson now in the room?

Mr. PATTERSON. Yes.

Senator SYMMS. Go ahead.

Mr. HALL. My name is Larry Hall. I am president of the Sign Manufactures Division of the American Traffic Services Association. My association represents some 62 sign-making companies in the United States. These companies are all small in nature. They run the gamut of four employees up to approximately 40 to 50 employees. These companies manufacture only highway and traffic control signs. They manufacture absolutely nothing else in terms of footwear, desks, office equipment, furniture such as American correctional institutions are involved in.

These companies presently are being hurt by prison industry sales to local governmental agencies. I would like to emphasize the point to you. The American Correctional Association prison industries are selling not only to State governmental users but also to local governmental users. The State prison sign industry is expanding rapidly and taking increasing amount of business away from the free enterprise sector.

Senator Evans a little earlier in the program asked the gentleman from the American Correctional Association are there any prisons currently paying the going rate in terms of minimum wage, whatever, to prisoners, to inmates, to go toward room and board. In our study, we have found there is one such institution. The Utah Correctional Institute is, in fact, paying a $5 an hour rate. This goes towards room and board. Some moneys are being sent home to that inmate's family. This is a pilot program. It is under consideration, being tested in Utah.

Congress by rescinding the provision of the Surface Transportation Assistance Act that prohibits prison signs to used on Federal-aid projects hurts the sign companies and is going to further adversely affect the free enterprise sector or local sales that we do to local governmental agencies.

In our individual businesses, we are accustomed to fierce competition, and we can deal with that fact. However, we would like to compete on a fair and equal basis. That is the American system.

The American Traffic Services Association would like to see State correctional institutions sell at a fair market price, much like the pricing structure that Utah has stated implementing. The Federal prison industry of the United States is presently doing this. They communicate with private industry sources and with other governmental units to establish what the current market prices are. They then sell their products in line with those prices. We would like to see State correctional institutions follow the lead of the Federal prison industry of the United States.

To reiterate, gentlemen, if we are to compete, then competition should be on equal footing. The American Correctional Association makes much of the fact that traffic sign manufacturing is labor-intensive, thus preparing inmates for future employment in sign manufacturing upon their release from prison. Nothing could be further from the truth. In the testimony that we are presenting to you, we make note of the fact that presently not one of our member sign companies currently employes ex-inmates. To carry that one step further, in the 35-year existence of my company, we have not had one ex-inmate ever bother to apply for employment with us. We, therefore, suggest that prison industry provide for the training of inmates in areas of trade that are, in fact, more labor-intensive so that when inmates are released as productive citizens they would have a better chance to take their new labor skills into the working market.

I would like to present you gentlemen with one known fact. Not one traffic control sign is imported into the United States. All signs on our Nation's highway system are domestically produced. These signs are produced by the member sign companies of my organization or by prison industry sign shops. Not many industries can lay claim to such fact. To carry that one step further, why not export our expertise in this area of sign-making. Our country gives millions of dollars in aid to underdeveloped and developing countries. Why not let that be in the form of inmate-produced signs to those countries, channel the sign shops into those countries receiving assistance from us. Two distinct benefits could be realized.

Senator SYMMS. Can you summarize please. We have a vote on the floor.

Mr. HALL. Two benefits from this would be increased activity in the prison sign shop toward a productive end, and, second, Federal assistance to those nations take up the role of educational benefit. Signing is a symbolic language that is universal in its origin. This association feels this is one viable solution toward resolving the dilemma the private sector finds itself in in competing on an unfair basis with prisons.

Thank you for your time and consideration of our testimony.

Senator SYMMS. Thank you very much. We appreciate your testimony, and we appreciate having the two insights.

Now we will hear from Mr. Patterson.

Mr. Patterson, welcome to the committee. I might just say go ahead and start your testimony. I may have to leave but our very capable counsel, Ms. Schrag, will be in charge. We won't ask you all to stay because the hearing is about over. And if there are any questions, we will submit them in writing or have Jean ask them. But when the second bell rings, shortly after I am going to have to excuse myself and go and vote.

But, Sam, please go ahead.

## STATEMENT OF SAM PATTERSON, PRESIDENT, CITIZENS AGAINST THE PELLISSIPPI PARKWAY EXTENSION, ACCOMPANIED BY MICHAEL MASCHMEYER, AND MICHAEL Y. ROWLAND

Mr. PATTERSON. Thank you, Mr. Chairman.

Mr. Chairman and members of the subcommittee, my name is Sam Patterson. I would request that our text and prepared material be made part of the record. I thank you very much for allowing us to appear before this committee.

Senator SYMMS. Your entire statement will be part of our record.

Mr. PATTERSON. Thank you very much.

Accompanying me are Michael Maschmeyer and Michael Rowland. We represent Citizens Against the Pellissippi Parkway Extension [CAPPE], an organization of over 700 families from Knox and Blount Counties in east Tennessee.

CAPPE has retained and is being advised by nationally recognized experts who have carefully reviewed the State's proposals for extending the Pellissippi Parkway and the potential damages which will be created by this project. It is our considered opinion that this proposed highway has been inadequately studied, is unjustified, and has all the makings of a colossal environmental and economic disaster, and for these reasons it should not be built.

The project would basically provide a shortcut, connecting points, as you see on the maps, on perpendicular highways in Knox and Blount Counties, essentially forming a triangle. The new leg would save 8 or 9 minutes of travel time between these points. The transportation benefits are minimal given the $130 million cost of the project.

The Pellissippi Parkway Extension is currently under study by the Tennessee Department of Transportation. The Federal Highway Administration has allocated over $1 million already to the State for this study. The State is preparing a draft environmental impact statement. If acceptable to the Federal Highway Administration, the State plans a final EIS on this project by late 1985. After the EIS is complete, this project would compete along with other projects for funding in the Nation.

We are here today because we understand the State is soliciting the Congress to obtain $130 million to build the Pellissippi Parkway Extension to demonstrate the latest techniques in environmental engineering.

We first became aware of this effort as a result of State Transportation Commissioner Farris' statement to the Knoxville Journal that he was seeking special Federal funds to build this road as an environmentally sound demonstration project because this road, unlike other highway projects, involves unique problems of caves, rock formations, and underground water supplies in the residential area. "We've got to make sure we're not disrupting the entire pattern of drainage in West Knox County of the aquifer that lies under it," he is quoted as having said.

The State is claiming that this project is crucial to the success of the proposed Tennessee Technology Corridor in Knox County between Oak Ridge and Interstate 40. However, the Knoxville/Knox County Metropolitan Planning Commission hired by the State Department of Transportation to fulfill the social, economic, and draingage impacts of the Pellissippi Parkway Extension has stated: "The success of the technology corridor does not depend upon the completion of a Pellissippi Parkway Extension. Supporters believe the area's marketability will be enhanced by convenient access to the airport." In addition the University of Tennessee Graduate School of Planning, in their report to the Governor's Task Force entitled, "Developing the Technology Corridor" also indicated the Pellissippi Parkway Extension "would have drastic impacts on the entire area" and is not a necessary prerequisite for the success of the technology corridor.

The State has long been aware of these problems. In March 1982, State Transportation Department Geologist Harry Moore submitted a preliminary geological report on the project.

> The unstable foundation conditions usually result in roadway collapses involving the driving surface, ditchlines and in some instances roadway structures. The qroundwater fluctuations very often result in flood conditions and pose threats of groundwater contamination. Flooding conditions affect traffic, highway embankment stability, and adjoining private property. Run-off from the roadway poses great potential for groundwater contamination in areas where the water table is so closely connected to the surface environment. It is recommended that these nine ge-

ographic areas of instability be avoided by the proposed alignment of the Pellissippi Parkway Extension.

All of the proposed routes pass through these unstable areas.

Despite that the State has long been aware of these problems and is now seeking special Federal funds for construction, we inspected Tennessee Department of Transportation files in late February 1984 under the Tennessee Open Records Laws, and discovered that there were no documents which dealt with any of these significant problems. We believe the State cannot adequately resolve these problems.

Based on the information provided us by our consultants, Dr. Barry Beck, Director of Sinkhole Research Institute, University of Central Florida; Dr. Nick Crawford, Center for Cave and Karst Studies, Western Kentucky University; Dr. Hsiang-te Kung, Geographer/Hydrologist, Memphis State University; Sammie Lee, Civil Engineer, Louisville, Ky.; and Dr. Frank Davis, Professor of Transportation, University of Tennessee, we do not think these problems can be solved.

Our consultants concur with the State's geologist on the significant problems facing this project. These are not ordinary highway problems with proven engineering fixes, especially in such densely settled areas where the cost of project failure would be enormous. Building this project through an area known for its geological instability, sinkholes, caves, flooding problems, and dense residential settlement invites a disaster. The proposed locations for the highway contain a very unstable geological limestone formation called karst. This area is extensively underlain by numerous caves, sinkholes, and underwater streams. Heavy construction, rock blasting, and earthmoving associated with the massive cut and fills, taking as much as 70 feet off the ridge tops, through this heavy ridge and valley area quite likely would disrupt above and below ground waterflow patterns causing massive flooding in an already severe flood prone area; silt-in, contaminte or dry up numerous drinking water wells, and reactivate sinkhole collapses and cave-ins through permanent water table fluctuations.

David Royster, an engineering administrator with the Tennessee Department of Transportation, recently presented a paper on karst problems to the 63d Annual Transportation Research Board meeting in January 1984. In discussing these problems, he noted:

> If the "public good" is to be served, all levels of government must put politics and special interests aside and make the hard decisions that so often are associated with land use questions, especially where geologic hazards are involved.
>
> Sinkholes have long been used for drainage in the design and construction of highways. Decisions for their use, however, seem to be based more on expediency than on engineering and scientific analysis and planning. Furthermore, little attention is paid to the long-term effects of such practices, especially in areas of continuing residential or commercial development.
>
> There are times when total restriction on development is the only answer to collapse or flooding problems.
>
> There are simply too many unknowns and too many factors that must be left to chance for this to be offered as the ultimate corrective measure in this type of situation. It is one thing to utilize a sinkhole for drainage in a small, relatively isolated, undeveloped area, but quite another in a large highly developed area, especially when there is an already existing flooding problem.

We believe that the potential damage that would be caused by the construction of this interstate style four-lane highway far outweighs the presumed benefit of shortening by a few minutes travel time from I-40 in West Knox County to Alcoa Highway in Blount County.

During this era of much needed fiscal responsibility, this project with its economically prohibitive problems is not the type of demonstration project that this committee intended to approve and is an imprudent use of public works funds.

If the project is to succeed, it should do so on its merits, and it should be subject to all the funding and review processes of the Federal Highway Administration and the State Department of Transportation.

In summary, we have provided each of you with a bound information packet and maps containing condensed versions of all existing data on the proposed extension. We have highlighted the conclusive statements for your attention.

By reviewing these published reports, you will find that all technical persons on both sides of this issue are in agreement that the potential dangers of constructing this project through these sensitive areas of Knox County are so severe that the proposed project should avoid these areas entirely.

In summary, we recommend that this committee deny funding for the Pellissippi Parkway Extention based upon the lack of economic, geological, and social justifications for the project.

If I may submit, Senator, we have a revised edition of the material before you. We have changed it in an attempt to try to shorten our presentation.

Thank you very much for your time.

Senator SYMMS. Do you live in the county we are talking about?

Mr. PATTERSON. Yes, I do.

Senator SYMMS. I want to thank all the witnesses that participated in our hearing this morning, and we reserve the right to send written questions.

I would say to Mr. Price, I am not sure whether Senator Chafee would have any questions for you or not. He is very interested. If so, he will submit them.

Mr. PRICE. I would be pleased to answer any questions.

Senator SYMMS. Thank you very much.

The meeting is adjourned.

[Whereupon, at 11:50 a.m., the subcommittee recessed, to reconvene subject to call of the Chair.]

# UNITED STATES SENATOR ARLEN SPECTER TESTIMONY ON ENVIRONMENT AND PUBLIC WORKS COMMITTEE

March 22, 1984

# TESTIMONY
# ENVIRONMENT AND PUBLIC WORKS COMMITTEE
SENATOR SPECTER

Mr. Chairman, I am pleased to appear before the Fnvironment and Public Works Committee today to express my deeply held belief that the current apportionment of Interstate Rehabilitation funds is unfair and that prompt reevaluation of the formula is urgently needed.

On December 20, 1983, Secretary Dole presented to Congress her long-awaited report, mandated by the Surface Transportation Assistance Act, on Interstate 4R apportionment, which concluded that no compelling case for changing the formula could be made. The Report further concluded that no reasonable surrogates existed for the impact of weather -- a factor which greatly contributes to the deterioration of our highway system. Mr. Chairman, I am here today to counter these two contentions.

My State of Pennsylvania presents a most compelling case for modifying the Interstate 4R formula without further delay. The Federal Highway Administration's Report identified three goals of the Interstate 4R program that whould be considered in evaluating alternative apportionment formulas. First, the formula must distribute funds where construction is needed; secondly, the formula must consider the benefits that portion of the system provides for interstate commerce, and thirdly, the formula must consider that system's role in the event of a protracted national defense emergency.

The Federal Highway Administration found that Pennsylvania accounts for more than 5 percent of the improvements needed on the Interstate system. Secondly, the Report showed that Pennsylvania's Interstate highway system provides more than 5 percent of the benefits enjoyed by interstate commerce, which is not surprising when you consider the role the Commonwealth has traditionally played as a keystone state. And lastly, the Federal Highway Administration study concluded that Pennsylvania would provide for more than 5 percent of the country's requirements for direct military and subcontractor movements on the interstate system during a prolonged national defense emergency.

But in spite of Pennsylvania making up more than 5 percent of the three basic criteria selected by the Federal Highway Administration as the foundation of our Interstate Rehabilitation program, my state continues to receive less than 3 percent of the federal monies for this purpose. Mr. Chairman, this is not only inequitable, but short-sighted in light of the stated goals of this increasingly important component of the federal government's effort to preserve our nation's infrastructure.

It is only logical that federal funds to restore, resurface, reconstruct and rehabilitate roads be distributed on the basis of those factors which contribute most heavily to the breakdown of the highway system. The current formula, which employs vehicle miles of travel, reflects the relative usage of the system in the various states. I would agree that usage is an important consideration; however, vehicle miles traveled fails to discriminate between different vehicles. There is a difference. The American Association of State Highway and Transportation Officials has found that one 80,000 pound truck causes more wear and tear on highway pavement than 9,000 cars. As a consequence of treating automobiles and heavy trucks the same, the current formula not only neglects the primary role these trucks play in interstate commerce, but ignores the disproportionate impact they have on accelerating pavement deterioration. Clearly, a reliable truck data base is needed at the national level. Until this is accomplished, however, diesel fuel consumption could be used as a surrogate factor. I might add that this data is currently available and correlates quite well statistically to the FHWA three basic program criteria.

Weather is yet a second factor which significantly affects the cost of highway restoration. The Federal Highway Administration analysis showed that restoration costs in adverse climates could exceed the cost of pavement restoration in favorable climates by 16 percent. The current formula does not include a weather factor. But how does one measure weather? While no one has come up with a way to assess the impact of weather in and of itself, after long and careful study the Pennsylvania Department of Transportation has developed a reliable and measurable surrogate -- Bridge Needs.

During winter months snowbelt states use salts to break up the ice on bridges, which freeze before the rest of the highway, in order to make road conditions driveable. Independant studies conducted under the auspices of the highly reputable Transportation Research Board in 1977 and the Pennsylvania Transportation Institute in 1981 found salt to be the major cause of structural damage to highway bridges in the United States. Adverse weather conditions, then, results in the use of more salt which causes pavement deterioration and is ultimately reflected in the cost to improve deficient bridges in each state, or Bridge Needs. Each state's Bridge Needs are measured continually through the national bridge inspection inventory; as a result, state-by-state data are reliable and available today.

The formula changes I have described to you are neatly packaged in S. 1498, legislation I introduced last June after the Federal Highway Administration missed its May 1983 deadline for issuing its report on Interstate 4R factors. I see no reason to delay consideration of this matter by this Committee and the Congress any further. Meanwhile current inequities are only perpetuated. I recognize that this Committee has worked hard of late to secure passage of an Interstate Cost Estimate and I know the Cost Estimate issue will reemerge in the very near future. However we cannot let this opportunity to correct this very unfair situation pass. S. 1498 has attracted considerable support, including the cosponsorship of Senators Heinz, Lautenberg, D'Amato, Humphrey, Tsongas, Cohen, Bradley, Dodd, Mitchell and Kennedy. I applaud your efforts, Mr. Chairman, along with my distinguished colleagues on the Environment and Public works Committee for once again trying to tackle and improve the federal highway program. I feel very strongly that a reformulated Interstate 4R apportionment should be included in your review and will look forward to working with the Committee on this important legislation.

## STATEMENT OF
## SENATOR J. BENNETT JOHNSTON

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, I AM PLEASED TO HAVE THIS OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO DISCUSS THE MERITS OF AUTHORIZING A 6.7 MILE EXTENSION OF I-49 IN LOUISIANA. I BELIEVE THAT BY HOLDING THIS HEARING YOU HAVE FURTHER DEMONSTRATED YOUR ONGOING COMMITMENT TO IMPROVE OUR NATIONAL INTERSTATE HIGHWAY SYSTEM.

THE PROPOSED EXTENSION OF I-49 IN LOUISIANA WOULD MOST DIRECTLY BENEFIT THE METROPOLITAN AREAS OF SHREVEPORT/BOSSIER CITY AND LAFAYETTE. OFFICIALS OF LOCAL GOVERNMENT, AS WELL AS MANY PRIVATE CITIZENS, HAVE WRITTEN TO ME TO EXPRESS THEIR SUPPORT FOR THE PROJECT AND I WOULD LIKE TO MAKE THEIR COMMENTS PART OF THE HEARING RECORD. FURTHERMORE, THIS PROJECT HAS RECEIVED OVERWHELMING BIPARTISAN SUPPORT AT THE STATE LEVEL. CONSTRUCTION OF I-49 WAS INITIATED BY CURRENT GOVERNOR EDWIN EDWARDS DURING HIS PRIOR ADMINISTRATION. GOVERNOR EDWARDS' EFFORTS WERE ENDORSED BY HIS SUCCESSOR, REPUBLICAN GOVERNOR DAVID TREEN. AT THIS TIME, I WOULD LIKE TO SUBMIT FOR THE HEARING RECORD A LETTER I RECEIVED FROM GOVERNOR EDWARDS.

THE STATE OF LOUISIANA AND ITS LOCAL GOVERNMENT ENTITIES SUPPORT THE PROPOSED EXTENSION OF I-49 BECAUSE IT WILL FURTHER IMPORTANT AND VITAL INTERSTATE COMMERCE AND DEFENSE NEEDS. I HOPE THAT AT THE COMPLETION OF MY TESTIMONY THAT YOU WILL ALSO SHARE THEIR SENTIMENTS

AND SEE FIT TO INCLUDE THE APPROPRIATE AUTHORIZING LANGUAGE IN THE PENDING HIGHWAY LEGISLATION.

MR. CHAIRMAN, I-49 IS PRESENTLY 206 MILES IN LENGTH. I HAVE OUTLINED THIS HIGHWAY IN BLUE ON THE ATTACHED MAPS. AS YOU CAN SEE, I-49 BEGINS AT I-10 IN LAFAYETTE, LOUISIANA AND EXTENDS NORTHERLY TO AN INTERSECTION WITH U.S. 190 NEAR OPELOUSAS. THE INTERSTATE THEN CONTINUES IN A NORTHEASTERLY PATH THROUGH ALEXANDRIA AND ONTO ITS FINAL INTERSECTION WITH I-20 IN SHREVEPORT. 3.7 MILES OF THE PROPOSED EXTENSION WOULD BE TO THE NORTHERN TERMINAL OF THE INTERSTATE, THUS CONNECTING I-49 WITH I-220 IN SHREVEPORT/BOSSIER CITY. THIS EXTENSION IS MARKED IN RED ON THE ATTACHED MAPS. THE REMAINING THREE MILE EXTENSION WOULD BE TO THE SOUTHERN TERMINAL OF THE INTERSTATE. IT WOULD CONNECT I-49 WITH U.S. 90 ON THE SOUTHSIDE OF LAFAYETTE AND IT IS MARKED IN GREEN ON THE ATTACHED MAPS.

THE ESTIMATED COST OF COMPLETING THIS SECTION OF I-49 IS $343,313,000. ATTACHED TO MY TESTIMONY IS A BREAKDOWN OF THIS COST. YOU WILL NOTE THAT THIS ESTIMATE IS SLIGHTLY LARGER THAN THE ESTIMATE I GAVE WHEN I REQUESTED TO TESTIFY AT THIS HEARING. THIS IS DUE TO THE FACT THAT IN COMPILING THE PREVIOUS ESTIMATE FOR THE LAFAYETTE PORTION OF THE EXTENSION, THE LOUISIANA DEPARTMENT OF TRANSPORTATION INADVERTENTLY EXCLUDED A FIFTEEN PERCENT FEE FOR ENGINEERING AND CONTINGENCY PURPOSES.

DESPITE THIS SLIGHT INCREASE, I SUBMIT TO YOU THAT NOW IS THE MOST ECONOMIC TIME TO AUTHORIZE THIS EXTENSION. CONSTRUCTION OF THE INTERIOR PORTIONS OF I-49 IS PRESENTLY UNDERWAY, HENCE FACILITATING mobilization from the contractors point of view. For example, construction of I-49 is expected to be completed in the early 1990's, with the rural segments of the Interstate being completed in the nearest term. Consequently, a number of contractors are presently in the area and their attention is focused on construction of I-49. The competition that would occur between these contractors would result in the government obtaining many competitive bids on the project, thus resulting in a large overall price savings.

In the remainder of my testimony, I intend to discuss the merits of this proposed extension. I will begin by discussing factors associated with the Shreveport extension, followed by similar discussion of the proposed Lafayette extension.

## Shreveport Extension

Extension of I-49 between I-20 and I-220 in Shreveport/Bossier City was part of the original Interstate project and was included in the Draft and Final Environmental Impact Statements. Furthermore, it has consistently been part of the Shreveport Master Plan. However, because of lack of funding, the extension was eliminated in the Addendum to the Final EIS, published in September, 1980. Even so, much of the environmental and engineering work which serves as a prerequisite to constructing such a highway has already been completed.

The prosposed extension of I-49 in Shreveport/Bossier City will further vital and major interstate commerce and defense needs and the arguments which originally supported its inclusion in the Interstate system are even more compelling today.

For example, in the late 1950's, in an effort to further National Defense purposes, the Department of Defense requested vertical bridge clearance for all of I-20. The State was able to accommodate the Department with respect to the rural segments of I-20. However, construction has already begun on I-20 in the urban area of Shreveport. Consequently, this portion of the Interstate does not have military clearance.

Vertical bridge clearance was subsequently incorporated into the urban Shreveport portions of I-49 and I-220. However, there is a 3.7 mile gap between these highways. By extending I-49 between I-20 and I-220, continuous vertical bridge clearance will be achieved, thus greatly enhancing our national defense highway needs.

This is especially important given the close proximity of Barksdale Air Force Base to Shreveport/Bossier City. Barksdale A.F.B., the headquarters for the Eighth United States Air Force, is a Strategic Air Command facility. It is the home of the B-52 and the KC-135 tankers which deploy with the B-52's.

Presently, the base employs 6,400 people and it has plans for expansion in the future to include air launched cruise missiles. Extension of I-49 northward will aid growth at the base because it will make the base much more accessable to military facilities north of the City. For example, it will make Barksdale more accessable to a major army weapons plant located close to Texarkansas.

Expansion of I-49 northward will also serve vital and major interstate commerce needs. For example, not only will the extension provide interstate route continuity, it will improve access to the Central Business District of Shreveport, both from I-49 South and I-20 West. Without this connection, I-20 between I-49 and the Spring/Market Interchange will be overloaded within a few years after the opening of I-49. Futhermore, this short extension of I-49 will also improve access to the Central Business District of Shreveport from the north via I-220 and U.S. 71.

An example of how traffic at the present north terminal point is susceptible to congestion can be seen by examining an accident that occurred at this point earlier this month. At 4 a.m. on March 12, a tanker truck filled with hydrochloric acid crashed into a concrete abutment at the Spring Street exit of I-20. 5,800 gallons of acid spilled onto the roadway, tying up traffic in Shreveport and Bossier City throughout the morning and causing a substantial environmental and health hazard.

The increased access to Shreveport/Bossier City that will be gained by this modest expansion is especially important given the city's recent growth pattern and its anticipated growth in the future. For example, during the past 13 years, the population of Shreveport/Bossier City has increased from 225,00 to 266,000 and it is projected to grow to 350,000 by the year 2000. This growth is attributed to two factors: first, the creation of new jobs due to

INDUSTRIAL GROWTH; AND SECOND, CITY BOUNDARY EXPANSION DUE TO ANNEXATION.

ALMOST DAILY, OFFICIALS OF THE CITY MEET WITH INDUSTRY REPRESENTATIVES REGARDING THE POSSIBILITY OF RELOCATING OR EXPANDING BUSINESS IN THE SHREVEPORT/BOSSIER CITY VICINITY. IN MANY INSTANCES, THESE TALKS HAVE BEEN SUCCESSFUL. FOR EXAMPLE, GENERAL MOTORS RECENTLY ADDED A SECOND SHIFT TO ITS TRUCK ASSEMBLY PLANT. FURTHERMORE, HONDA HAS BEGUN CONSTRUCTION OF A CAR DISTRIBUTION PLANT IN SHREVEPORT. EXPANSION OF I-49 NORTHWARD WILL BE OF VALUABLE SERVICE TO HONDA.

IN THE NONINDUSTRIAL GROWTH AREA, IT IS IMPORTANT TO NOTE THAT THIS EXTENSION WILL ALSO SERVICE THE LOUISIANA STATE UNIVERSITY MEDICAL CENTER LOCATED IN SHREVEPORT, THUS IMPROVING ACCESS TO MEDICAL CARE FOR AREA RESIDENTS. FUTHERMORE, IT WILL PROVIDE MORE EFFICIENT ACCESS TO LOUISIANA DOWNS IN BOSSIER CITY.

TRAFFIC IN METROPOLITAN SHREVEPORT WILL ALSO GREATLY INCREASE WITH THE DEVELOPMENT OF THE RED RIVER NAVIGATION AND PORT FACILITIES. WHEN THIS OCCURS, SHREVEPORT/BOSSIER CITY WILL BE THE NORTHERN MOST TERMINAL ON THIS WATERWAY WHICH WILL CONNECT TO OUR INLAND WATERWAYS SYSTEM AND OUR DEEP WATER PORTS. CONSEQUENTLY, MANY COMPANIES LOCATED IN TEXAS, ARKANSAS, AND OKLAHOMA ARE EXPECTED TO TRUCK THEIR PRODUCT TO SHREVPORT. FROM THERE, IT WILL BE TRANSFERRED TO A SHIP FOR ULTIMATE TRANSPORTATION. COMPLETION OF I-49 BETWEEN I-20 AND I-220 WILL GREATLY ENHANCE ACCESS FROM THE NORTH TO THE RED RIVER FACILITY.

LAFAYETTE EXTENSION

PRESENTLY, THE SOUTHERLY LIMIT OF I-49 ENDS AT THE INTERCHANGE IN LAFAYETTE WITH I-10. THE ROUTE THEN CONTINUES FOR THREE MILES AS U.S. 167, THE EVANGELINE THRUWAY, UNTIL IT BECOMES U.S. 90. U.S. 90 THEN CONTINUES IN AN EASTERLY DIRECTION TO NEW ORLEANS. THE PROPOSED SOUTHERN EXTENSION OF I-49 WOULD UPGRADE U.S. 167 TO INTERSTATE QUALITY.

THIS PROPOSED EXTENSION OF I-49 THROUGH LAFAYETTE WILL FURTHER VITAL AND MAJOR INTERSTATE COMMERCE AND DEFENSE NEEDS AND IT WILL COMPLETE A VITAL LINK IN THE STATE'S INTERSTATE AND CONTROLLED ACCESS HIGHWAY SYSTEM. U.S. 90 IS THE MAIN EAST-WEST HIGHWAY CONNECTION IN THE STATE, SERVING ALL OF SOUTHERN LOUISIANA AND PROVIDING NEEDED ACCESS TO THE NATION'S OIL AND GAS INDUSTRY. VERTICAL BRIDGE CLEARANCE HAS BEEN INCORPORATED INTO THE DESIGN OF U.S. 90. HOWEVER, THERE IS PRESENTLY A THREE MILE GAP BETWEEN U.S. 90 AND THE BEGINNING OF I-49. CONSEQUENTLY, IN ORDER TO TRANSFER BETWEEN THESE HIGHWAY SYSTEMS, IT IS NECESSARY TO TRAVEL ON NONCONTROLLED ACCESS CITY STREETS. BY EXTENDING I-49 SOUTHERLY, THIS DEFICIENCY WILL BE ALLEVIATED AND HIGHWAY MILITARY CLEARANCE WILL BE ACHIEVED FROM NEW ORLEANS TO SHREVEPORT.

THIS IS ESPECIALLY IMPORTANT GIVEN THE IMPORTANT ROLE LAFAYETTE PLAYS IN OUR NATIONAL OIL AND GAS INDUSTRY, AND THE EFFECT THIS INDUSTTY HAS ON OUR NATIONAL SECURITY. OVER 600 OIL AND GAS COMPANIES HAVE A PRESENCE IN LAFAYETTE. FOR EXAMPLE, THE CITY IS THE ADMINISTRATIVE ARM OF THE OIL AND GAS INDUSTRY, HOUSING THE

OFFSHORE AND ONSHORE OPERATIONS OF MANY COMPANIES. FURTHER EXPANSION OF THIS INDUSTRY WILL HELP OUR COUNTRY ACHIEVE ENERGY INDEPENDENCE AND THUS LESSEN OUR DEPENDENCE ON FOREIGN OIL SUPPLIES AND OUR VULNERABILITY TO THE POLITICAL WHIMS OF OTHER COUNTRIES. BY EXTENDING I-49 SOUTHWARD FOR THREE MILES, AN ADEQUATE CORRIDOR FOR THE FREE FLOW OF ENERGY RELATED GOODS AND SERVICES WILL BE ACHIEVED.

HURRICANES ARE A FACT OF LIFE IN SOUTHERN LOUISIANA AND EXPANSION OF I-49 TO U.S. 90 WILL ASSIST IN HURRICANE EVACUATION NEEDS. THIS PROPOSED EXPANSION WILL FURTHER ASSIST IN HURRICANE EVACUATION EFFORTS BECAUSE IT WILL PROVIDE THE QUICK EVACUATION OF MANY THOUSANDS OF RESIDENTS WHO LIVE IN THE LOW LYING COASTAL AREAS OF SOUTHERN LOUISIANA.

FINALLY, THIS PROPOSED EXPANSION WILL SERVE VITAL AND MAJOR INTERSTATE COMMERCE NEEDS. LAFAYETTE HAS EXPERIENCED A DRAMATIC POPULATION INCREASE OVER THE PAST TWENTY YEARS AND THIS TREND IS EXPECTED TO CONTINUE INTO THE FUTURE. FOR EXAMPLE, THE CITY'S POPULATION HAS INCREASED FROM 40,000 IN 1960 TO 92,000 IN 1983. GROWTH IS PROJECTED TO CONTINUE AT AN ANNUAL RATE OF 1.52 PERCENT THROUGH THE YEAR 2000, THUS INCREASING THE POPULATION TO APPROXIMATELY 121,000.

THIS GROWTH IS PRIMARILY ATTRIBUTED TO THREE FACTORS; FIRST, THE LOCATION OF THE OIL AND GAS INDUSTRY IN THIS REGION; SECOND, DIVERSIFICATION INTO OTHER INDUSTRIAL BASES; AND THIRD, THE WEALTH AND INTELLECTUAL CAPACITY OF THE RESIDENTS OF LAFAYETTE. IN THIS REGARD, IT SHOULD BE NOTED THAT LAFAYETTE HAS THE HIGHEST PERCENTAGE

OF COLLEGE GRADUATES AND THE HIGHEST PER CAPITA INCOME OF ANY AREA IN THE STATE. THE APPARENT WEALTH OF THE CITY HAS RESULTED IN IT BEING RANKED FOURTEENTH IN RETAIL SALES NATIONWIDE AND HAS HELPED IT BECOME THE EDUCATIONAL, MEDICAL, FINANCIAL AND RETAIL DISTRIBUTION CENTER THROUGHOUT THE EIGHT PARISH ACADIANA REGION OF SOUTH CENTRAL LOUISIANA.

IN RECENT YEARS, LAFAYETTE HAS BEGUN TO DIVERSIFY FROM ITS OIL AND GAS INDUSTRIAL BASE INTO THE AREA OF LIGHT MANUFACTURING. THIS MOVE HAS CONTRIBUTED TO THE GROWTH OF LAFAYETTE. FOR EXAMPLE, IN 1976, THE CITY BUILT A 150 ACRE INDUSTRIAL PARK IN SOUTHERN LAFAYETTE. THE OPENING OF THIS PARK IS APPROXIMATELY 50 YARDS FROM THE PROPOSED EXTENSION OF I-49 AND THUS WOULD BE DIRECTLY SERVICED BY THE THE EXTENSION OF I-49. THIS INDUSTRIAL PARK HOUSES OVER FIFTEEN COMPANIES INCLUDING UNION CAMP, AMERICAN MANUFACTURING, HALIBURTON, CHRISTENSON DIAMOND, NEWPORT RESOURCES AND LOR, INC. THESE COMPANIES HAVE AN ANNUAL PAYROLL OF OVER $23 MILLION AND EMPLOY OVER 1,000 INDIVIDUALS.

APPROXIMATELY 45 ACRES OF THE INDUSTRIAL PARK REMAIN TO BE DEVELOPED. GIVEN THE ABOVE TREND, IT IS PROBABLE THAT THE EXTENSION OF I-49 WOULD DIRECTLY SERVICE AN ADDITIONAL 500 EMPLOYEES AS WELL AS THE GOODS AND PRODUCTS MANUFACTURED WITHIN THE PARK.

RECENTLY, THE CITY OF LAFAYETTE PURCHASED AN ADDITIONAL ONE HUNDRED ACRES OF LAND WITH THE INTENT TO DEVELOP A HIGH-TECH INDUSTRIAL PARK. THIS PARK IS LOCATED ONE MILE FROM I-49 AND THEREFORE WOULD DIRECTLY BENEFIT FROM THE PROPOSED EXTENSION. THIS

HIGH-TECH INDUSTRIAL PARK IS BEING BUILT IN COOPERATION WITH THE UNIVERSITY OF SOUTHWESTERN LOUISIANA. THE UNIVERSITY OF SOUTHWESTERN LOUISIANA OFFERS THE ONLY PHD PROGRAM IN COMPUTER SCIENCE IN THE STATE AND IT HAS THE MOST SUCCESSFUL PROGRAM IN THE SOUTHERN UNITED STATES. IT IS ANTICIPATED THAT THE STATURE OF THE UNIVERSITY'S COMPUTER SCIENCE PROGRAM WILL ATTRACT INDUSTRY TO THIS FACILITY AND THUS INCREASE THE NEED TO FACILITATE THE FREE FLOW OF INTERSTATE COMMERCE IN THE REGION.

PRESENTLY, TWO IMPROVED CITY STREETS, KNOWN AS THE EVANGELINE THRUWAY, SERVE AS THE ACCESS ROUTE THAT CONNECTS I-49 WITH U.S. 90. TRAFFIC MOVEMENT ON THESE CITY STREETS IS IMPEDED BY NUMEROUS STREET LIGHTS, THUS CAUSING STOP AND GO TRAFFIC AND INCREASING THE LIKELIHOOD OF ACCIDENTS. AS THIS AREA CONTINUES TO GROW, THIS SITUATION WILL BE AGGRAVATED. HOWEVER, A SOUTHERN EXTENSION OF I-49 TO U.S. 90 WOULD NOT ONLY CURE THIS PROBLEM, BUT WOULD ALSO FACILITATE ACCESS TO OUR NATION'S ENERGY PRODUCTION INDUSTRIES.

CONCLUSION

MR. CHAIRMAN, THIS CONCLUDES MY WRITTEN TESTIMONY. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE. THANK YOU.

## PROPOSED EXTENSION OF I-49
## IN LAFAYETTE LA FROM I-10
## TO THE VERMILION RIVER

ESTIMATED COST (in 1983 dollars)

I-10 to the Vermilion River (3.0 miles)

| | |
|---|---|
| Construction Costs* | $128,603,000.00 |
| Right-of-Way Costs | 28,410,000.00 |
| Relocation Assistance | 800,000.00 |
| Relocating Utilities | 2,800,000.00 |
| Total Cost | $160,613,000.00 |

*Includes 15% for engineering and contingencies.

## PROPOSED EXTENSION OF I-49
## IN SHREVEPORT, LOUISIANA
## FROM I-20 TO I-220

ESTIMATED COST (in 1983 dollars)

I-20 to I-220 (3.7 miles)

| | |
|---|---|
| Construction Costs | $134,300,000 |
| Right-of-Way Costs | 31,600,000 |
| Miscellaneous (Utilities, Engineering and Contingencies, etc.) | 16,600,000 |
| Total Cost | $182,500,000 |

State of Louisiana
EXECUTIVE DEPARTMENT
Baton Rouge

EDWIN EDWARDS
GOVERNOR

March 15, 1984

The Honorable J. Bennett Johnston
United States Senate
Senate Office Building
Washington, DC 20510

Re: Interstate Highway I-49
Louisiana

Dear Senator Johnston:

We wish to bring to your attention a serious deficiency in the Interstate Highway System in Louisiana. Present approvals require I-49 to terminate in Shreveport at I-20. A serious need exists to extend both the north and the south termini; I-49 north to I-220 (Shreveport By-Pass) in the immediate future and to I-30 in Arkansas as a long range plan, and I-49 south to the Vermilion River in Lafayette. These proposed extensions are shown on the attached exhibits.

The north extension to I-220, a distance of 3.7 miles, was part of the original project but was eliminated for various reasons. With I-220 being the designated interstate highway for National Defense, the construction of I-49 to I-220 would provide a vital link to Barksdale Air Force Base and integrate the Defense Highway System in Shreveport. The total estimated cost is $182,500,000.

The south extension to the Vermilion River, a distance of 3.0 miles, will complete the planned continuous controlled access highway system from Shreveport to New Orleans serving the offshore oil and natural gas resources of national importance in the southern part of the state. The cost of this extension is estimated at $160,613,000.

Justification for extending I-49 to the north and to the south is discussed in detail in the attachments.

Your attention to this matter in the interest of National Defense and Interstate Commerce is appreciated.

Sincerely,

EDWIN W. EDWARDS

EWE:mld

Attachments

cc: Congressman John Breaux
Mr. Robert G. Graves
Mr. Neil L. Wagoner

# JUSTIFICATION FOR EXTENSION
# OF I-49 FROM I-20 TO I-220
# IN SHREVEPORT

I-49 is the north/south interstate highway in Louisiana. Currently, plans for the interstate call for the roadway to connect I-10 in Lafayette to I-20 in Shreveport. At the northerly limit, the highway ends at the interchange with I-20. It is recommended that I-49 be extended from I-20 north 3.7 miles to I-220.

This 3.7 mile section was a part of the original project that was covered by the Draft and Final Environmental Impact Statements. Because of the limitation of interstate funding and mileage, the present I-49 project was terminated at I-20. It has been the intention of the City of Shreveport and the Department of Transportation to extend the highway from I-20 to I-220 as soon as funding could be obtained.

I-20, through the central area of Shreveport, is now congested and a bottleneck to urban traffic. The interchange with I-49 South will require most of the traffic to the Central Business District (CBD) to use I-20 or existing City streets. In the design of the I-49/I-20 interchange only the minimum acceptable level of service could be provided on I-20. The I-49 extension would provide more direct access to the CBD without having to use I-20. Likewise, the I-20 traffic from the west would also have an alternative access point to the CBD with the extension.

The extension of I-49 to I-220 would provide route continuity which is important to the Shreveport Highway System. It would facilitate the extension of the highway to I-30 in Arkansas at some future time.

The extension would provide greatly improved access to the CBD from the north from U.S. 71 via I-220.

Another serious deficiency in the present interstate system which affects National Defense is the lack of vertical clearance for military vehicles on I-20 in Shreveport. The designated through east/west interstate highway in Shreveport, with full clearance for military needs, is I-220. Therefore, in the interest of National Defense it is necessary to have I-49 interchange with I-220. The extension of I-49 (which will have adequate clearance) from I-20 to I-220 would provide this necessary continuity of routing for military vehicles between I-20 and I-49. The presence of Barksdale Air Force Base in Bossier City (part of the Shreveport Metropolitan Area) adds to the urgency for providing adequate routing of military vehicles with direct access to and from I-49 via I-220 and I-20.

In summary, the I-49 should be extended from I-20 to I-220 in Shreveport to:

1. Provide more direct access to the Shreveport CBD from I-49 and I-20 west;

2. Provide route continuity for the interstate in Shreveport;

3. Provide greatly improved access to the CBD from the north via U. S. 71 and I-220.

4. Provide for the necessary continuity of routing for military vehicles between I-20 and I-49 via I-220.

# JUSTIFICATION FOR EXTENSION
# OF I-49 FROM I-10 TO THE
# VERMILION RIVER IN LAFAYETTE

I-49 is the north/south interstate highway in Louisiana. Currently I-49 connects I-10 in Lafayette to I-20 in Shreveport. At the southerly limit I-49 ends at the interchange with I-10 and the route continues as U.S. 167 to the Cameron Street intersection where it becomes U.S. 90 through Lafayette and thence to New Orleans.

It is recommended that I-49 be extended an additional 3.0 miles from the I-10 interchange through downtown Lafayette to the Vermilion River.

The Louisiana Department of Transportation and Development has plans and is currently upgrading the section of U.S. 90 from south of the Vermilion River to New Orleans to a limited access expressway. This highway is the principal arterial serving the Louisiana offshore oil industry which has resulted in a high concentration of labor and material distribution in the southern part of the state. The offshore oil and the natural gas resources with their national impact must have an adequate corridor to move both people and goods.

U.S. 90 must also serve as a hurricane evacuation route to quickly remove thousands of residents in the low lying coastal areas. Portions of U.S. 90 are currently designed to freeway standards and the remaining sections to New Orleans are planned to be upgraded to expressway status by adding interchanges and frontage roads.

U.S. 90 passes through miles of highly sensitive environmental wetlands and it is doubtful that any other route will ever be constructed to serve this area.

The only section of the entire I-49/U.S. 90 corridor from Shreveport to New Orleans not designed to high speed standards is the section in Lafayette from I-10 to the Vermilion River, where arterial streets with many high volume intersections are utilized. Improving this section of the corridor would complete a planned fully controlled access highway from Shreveport to New Orleans.

Present U.S. 90 between Lafayette and New Orleans (from the Vermilion River in Lafayette to I-310 in New Orleans) has the required vertical clearances (existing or planned) for use as part of the National Defense Highway System. The extension of I-49 through Lafayette would tie U.S. 90 into the interstate system (I-49 and I-10) on the west.

When I-10 was constructed through the Lafayette area, the City was relatively small (40,400 in 1960) and the facility was located outside of the downtown area. No interstate spurs or loops were deemed essential. However, the city's population has grown at a rapid rate and now stands at 91,117 (1983) which is far more than the 50,000 required for urban area classification. The extension of I-49 from the I-10 interchange to the Vermilion River would provide improved access from I-10 to the Lafayette Regional Airport and into the downtown area of one of the fastest growing oil and natural gas communities in Louisiana.

Severe traffic capacity problems are forecast for U.S. 90 through Lafayette. The many at-grade intersections along the roadway cannot handle the vehicles which desire to use the corridor. The extension of I-49 through the city would allow this major north/south roadway in Lafayette to operate at an acceptable level of service.

In summary, the proposed limit of I-49 in Lafayette should be moved from I-10 south to the Vermilion River to:

1) Complete a planned continuous controlled access highway from Shreveport to New Orleans.
2) Provide improved access from I-10 into the downtown Lafayette area.
3) Allow the major north/south corridor in Lafayette to operate at an acceptable level of service.

**OFFICE OF THE MAYOR**
**SHREVEPORT, LOUISIANA**

**JOHN HUSSEY**
MAYOR

POST OFFICE BOX 31109
SHREVEPORT, LA. 71130
(318) 226-6250

March 14, 1984

The Honorable J. Bennett Johnston, Jr.
U. S. Senator
Senate Office Building
Washington, D. C. 20510

Dear Bennett:

This letter is to express to you my personal support, and that of the City of Shreveport, for extending I-49 from I-20 north to an intersection with I-220. This project is of vital importance to the City of Shreveport and to the State of Louisiana for a number of reasons, including the following:

(1) It makes no sense to terminate I-49 at its juncture with I-20 at a point in the middle of the City. The traffic going north on I-49 will end up winding through the Allendale area, along Western Avenue to Ford Street or will take I-20 east to Spring Street and through the downtown area. Either of these exit routes will create serious traffic hazards.

(2) The I-49 initially was planned for extension to I-220, but the plans were changed during the Carter administration.

(3) Much of the environmental and engineering work has already been performed.

(4) There is substantial public housing in the area which is obsolete and needs to be replaced. It is my understanding that this housing would be replaced by the northern extension of I-49.

(5) The extension of I-49 is part of Shreveport's Master Plan.

I feel very strongly that this northern extension of I-49 is essential to the growth and progress of our City and to the completion of the interstate system. I congratulate you in your support of this extension and hope you will call upon me if there is anything I can do to assist you in your efforts.

With best regards, I am,

Sincerely yours,

John Hussey

John Hussey
M A Y O R

**OFFICE OF THE MAYOR**
CITY OF BOSSIER CITY, LOUISIANA

**FRANK B. BLACKBURN**
MAYOR

March 15, 1984

The Honorable J. Bennett Johnston
421 Russell Senate Office Building
Washington, D.C. 20510

Re: I-49 Extension to I-220
Shreveport, Louisiana

Dear Senator Johnston:

The city of Bossier City wholeheartedly endorses the City of Shreveport's proposal to extend I-49 northward from its existing terminus at I-20 to a new northern termination point at I-220. The benefits derived from the extension of this vitally needed highway will serve Bossier City as well as Shreveport and the surrounding area.

If we may be of further assistance please do not hesitate to call on us.

Sincerely,

Frank B Blackburn

Frank B. Blackburn
Mayor

RC:vp

OFFICE OF THE MAYOR

**DUD LASTRAPES, MAYOR**
PHONE (318) 261-8300
705 W. UNIVERSITY AVENUE
P. O. BOX 4017-C
LAFAYETTE, LOUISIANA 70502

March 15, 1984

The Honorable J. Bennett Johnston
U. S. Senate Building
Washington, D. C. 20515

Dear Senator Johnston:

I was delighted to hear there may be an opportunity for us to receive some funding in connection with the I-49 system. At your request, I want to say that we feel very strongly about the possibility of being included in I-49 as part of the system or as a spur.

Studies that are available to us indicate that the traffic through Lafayette on Evangeline Thruway would increase at least 50% upon the completion of I-49 North/South Road. As you know, I-49 at the present time stops at Interstate 10 just north of the city. We are having a difficult time now in handling a large volume of cars coming down through Evangeline Thruway, with a tremendous increase expected it will be much more difficult.

That is why we in city government and a special Lafayette Chamber of Commerce Committee have been working for some time now on a plan for an elevated roadway to begin at the Willow Street intersection and extend through the city down Evangeline Thruway. We realize this is an ambitious, costly, and long-range project, but we feel it is vital to resolve the traffic problems in our city.

I am enclosing information that you requested on this project. If anything further is needed, I will be happy to supply it or see

*300 années de francais et on a juste commencé*
"An Equal Opportunity/Affirmative Action Employer"

that it is made available to you. Thank you very much for your interest.

Sincerely,

DUD LASTRAPES, Mayor

I concur with the above and support this project.

WALTER S. COMEAUX, JR.
Parish President

blb

Attachment

GREATER
LAFAYETTE
*Chamber of Commerce, Inc.*

March 15, 1984

Senator J. Bennett Johnston
421 Richard Russell Building
Washington, D.C. 20510

ATTENTION: Skip Walton

Dear Senator Johnston:

This letter is to inform you of the total endorsement and support of the Greater Lafayette Chamber of Commerce for the Engineering Conceptual Study of the Evangeline Thruway, U.S. 90/167, Lafayette Parish, Lafayette, Louisiana.

That study was done by the Department of Public Works, City of Lafayette, Louisiana in August 1983. The study proposes to upgrade the Evangeline Thruway to interstate highway standards from I-10 southward to Broussard, Louisiana.

The Chamber of Commerce is in complete agreement with the City of Lafayette in concept as recommended in that study.

Our organization urges you to do what is appropriate to expedite the construction of this roadway.

Sincerely,

Dailey Berard

Dailey Berard
Vice President
Transportation Division

DB:dhp

cc: David Huval
Jerry Trumps

801 EAST ST. MARY BOULEVARD • POST OFFICE DRAWER 51307 • LAFAYETTE, LOUISIANA 70505 • AC 318 233 2705

Shreveport Chamber of Commerce
POST OFFICE BOX 20074, SHREVEPORT, LOUISIANA 71120, 318/226-8521

March 12, 1984

The Honorable J. Bennett Johnston
United States Senate
Washington, D. C. 20510

Dear Bennett:

Since the early days of planning for the I-49 highway from Baton Rouge to Shreveport, the Chamber has been equally concerned about the need to continue the highway to Texarkana to link with I-30.

Immediately important is a critical need to extend the I-49 beyond I-20 to link with the I-220 bypass north of the city. This important artery will greatly facilitate the north-bound flow of traffic through the city and not dump it at the I-20 connection.

Please use your influence to help us achieve the continuation of this critical artery on through the city in order that we can maximize its value.

Sincerely,

Jim

President

James E. Burt III

**SHREVEPORT METROPOLITAN PLANNING COMMISSION**
**OF CADDO PARISH**

City Hall, Rm 304 PO Box 31109
1234 Texas Ave Shreveport, La 71130 Tel (318) 226-6480

March 14, 1984

The Honorable J. Bennett Johnston, Jr.
United States Senate
Russell Senate Office Building, Room 421
Washington, D. C. 20510

Subject: Northward Extension of I-49

Dear Senator Johnston:

As Planning Director for the City and Parish, and someone deeply involved in economic development, I endorse the importance of extending I-49 north of I-20, at least as far as I-220.

This has been an important element of the MPC Master Plan for some years because of its importance in alleviating future traffic congestion problems. We have analyzed the corridor study and feel it is feasible.

From the economic development standpoint, at least one major industrial prospect was lost to Mississippi solely because Shreveport did not have a north-south expressway.

Again, I add my support and offer any technical assistance you may require in your efforts to secure funding.

Sincerely yours,

Stephen H. Pitkin
Executive Director

SHP:mg

JAMES C. GARDNER
521 WILDER PLACE
SHREVEPORT, LOUISIANA

March 8, 1984

The Honorable J. Bennett Johnston, Jr.
United States Senate
Russell Senate Office Building, Room 421
Washington, D. C. 20510

Dear Bennett:

The Committee of 100 in Shreveport has been and remains a stronger supporter of the need to extend I-49 from the presently authorized terminus with I-20 to an intersection with I-220. Our Executive Committee met with you twice during 1983 in your Shreveport office to express our feelings about the importance of this project. It remains a high priority item in our 1984 program of work and we encourage your efforts to secure the necessary legal authorizations to make this extension possible.

The completion of I-49 to I-20 will find north bound traffic winding through the Allendale area seeking the Common Street Extension or taking I-20 east to Spring Street and then heading north through the congested downtown area. Either alternative will create massive traffic problems. A connection with I-220 will provide easy access to north bound highways beyond the congestion of downtown Shreveport.

As you know, a possible extension of I-49 north is part of Shreveport's Master Plan and was included in the environmental corridor study for I-49 itself.

It is our understanding that you have an opportunity to push for this authorization in the next few weeks. You have our support and best wishes.

Sincerely,

Jim

President
Committee of 100

WILLIAM M. HAMM, JR.
538 RIVES PLACE
SHREVEPORT, LOUISIANA 71106

1984 MAR 19 AM 11: 29

March 9, 1984

The Honorable J. Bennett Johnston, Jr.
United States Senate
Russell Senate Office Building, Room 421
Washington, D.C. 20510

Dear Bennett:

I join with others in the Shreveport community to express our thanks for your interest in the I-49 extension from I-20 to I-220.

As you know, this extension is vital to proper traffic flow northward through Shreveport.

It is my understanding that you will have an opportunity to push this program in the near future. Please be sure of our deep concern for this most important project.

Yours very truly,

Bill

W. M. HAMM

WMH/as

Beal Locke and Associates, Inc.
Ten Thousand One Hundred Youree Drive
P.O. Box 5584
Shreveport, Louisiana 71135

March 9, 1984

The Honorable J. Bennett Johnston, Jr.
United States Senate
Russell Senate Office Building, Room 421
Washington, D. C. 20510

Some time ago, I personally pledged myself to work for economic betterment of Shreveport. I believe that the key opportunities lie in:

1. Red River Navigation
2. LSU-S
3. LSU Medical School
4. I-49 North to Texarkana

While I-49 North to Texarkana is the ultimate goal, I-49 from I-20 to I-220 is needed immediately to prevent a bad situation within the city.

Bennett, I urge you to do all you can to see that this much needed link be built as soon as possible.

Sincerely,

Beal Locke

BL:tap

RRVA Red River Valley Association

*CHAIRMAN OF THE BOARD*
Don H. Duggan
P.O. Box 7333
Shreveport, LA 71107

*PRESIDENT*
Edgar S. Harris, Jr.

*VICE PRESIDENT ARKANSAS*
Jack Williams
P.O. Box 158
Garland City, AR 71839

*VICE PRESIDENT LOUISIANA*
B.A. Rothschild, Jr.
P.O. Box 1663
Shreveport, LA 71165

*VICE PRESIDENT OKLAHOMA*
Ed Edinger
P.O. Box 806
Hugo, OK 74743

*VICE PRESIDENT TEXAS*
Homer Tanner
P.O. Box 680
Daingerfield, TX 75638

*SECRETARY-TREASURER*
Carlton Murray
P.O. Box 21730
Shreveport, LA 71120

*PRESIDENT EMERITUS*
C.A. Fairbanks
P.O. Box 797
Pineville, LA 71360

629 Spring Street
P.O. Box 709
Shreveport, Louisiana
71162
(318) 221-5233

March 14, 1984

Senator J. Bennett Johnston
United States Senate
SH (Hart) 136
Washington, D. C. 20510

Dear Bennett:

In discussion with Jim Gardner, he shared a copy of the letter he sent you regarding the need to extend I-49 on to I-220. Suffice it to say that I am in complete agreement and join him in seeking your understanding and support in this important effort.

No need to repeat what Jim has expressed quite clearly; but as a reminder - certainly not a new thought to you - I would like to add one point. With navigation and port facilities developing this area into a regional distribution center, there is commensurate need for traffic planning to accomodate and enhance the flow of goods to and from the industrial port. Extending I-49 is a logical and consequential step in realizing the economic potential of these projects.

I appreciate your attention and whatever you may be able to do to help us in this matter. Look forward to seeing you in Washington with our RRVA contingent during the Energy and Water Development hearings.

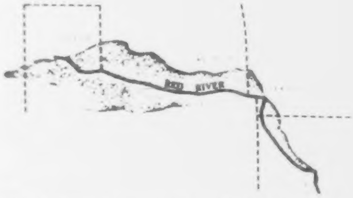
With kindest regards, I am,

Most sincerely,

Ed

Edgar S. Harris, Jr.

ESH/mw



*A Four State Association Dedicated to the Development of the Land and Water Resources of the Red River Basin*

**Southwestern Electric Power Company**
P. O. BOX 21106 SHREVEPORT, LOUISIANA 71156

1984 [illegible] 04

W. G. BRANDON
Vice President
Louisiana Division Manager

March 9, 1984

The Honorable J. Bennett Johnston, Jr.
United States Senate
Russell Senate Office Building, Room 421
Washington, D. C. 20510

Dear Senator Johnston:

As Vice President of Government and Community Relations for the Shreveport Chamber of Commerce, we would like to restate that the Shreveport Chamber is a strong supporter for extending I-49 from the presently authorized connection with I-20 to an intersection with I-220.

We anticipate a maze of traffic congestion as motorists go through the Allendale area seeking the Common Street Extension. Even more congestion would be caused if motorists take I-20 east to Spring Street and then head north through the already congested downtown area. A connection with I-220 will provide easy access to north bound highways and eliminate the congestion of downtown Shreveport.

The Chamber of Commerce understands you have an opportunity to get a committee amendment approved to extend I-49 to an intersection with I-220. We applaud you for taking steps necessary for this vital highway link.

Yours very truly,

W. G. Brandon
Vice President Government
and Community Relations

bl

Nicholas H. Wheless, Jr.
920 Commercial National Bank Building
Shreveport, Louisiana 71101

March 12, 1984

The Honorable J. Bennett Johnston, Jr.
United States Senate
Russell Senate Office Building, Room 421
Washington, D. C. 20510

Dear Bennett:

As you know many responsible Shreveporters are very much interested in and are strong supporters of the need to extend I-49 from the presently authorized terminus with I-20 to an intersection with I-220.

I am sure that you are aware of the traffic problems which will face us in the Allendale and downtown areas if I-49 ends at I-20 instead of going on to an intersection with I-220. Assistance in procuring authorization for this extension will certainly be appreciated.

With best wishes to you, I am

Sincerely yours,

Nick Wheless

NHW:cg

Statement of
The Associated General Contractors of America
Presented To The
Subcommittee on Transportation
Of The
U. S. Senate
March 22, 1984
On The Topic Of
Legislative Initiatives Affecting The Federal-Aid Highway Program

AGC is:

- More than 32,000 firms including 8,500 of America's leading general contracting firms responsible for the employment of 3,500,000-plus employees;
- 112 chapters nationwide;
- More than 80% of America's contract construction of commercial buildings, highways, industrial and municipal-utility facilities;
- Approximately 50% of the contract construction by American firms in more than 100 countries abroad.

AGC is pleased to comment on legislative initiatives affecting the Federal-aid highway program.

The Associated General Contractors of America (AGC) represents more than 32,000 firms including 8,500 of America's leading general contracting companies which are responsible for the employment of more than 3,500,000 employees. These member contractors perform more than 80 percent of America's contract construction of highways, bridges, tunnels, dams, waste-water treatment facilities, transmission lines, refineries, among many other industrial and municipal-utility facilities.

A Brief Look Back at the 1982 STAA

AGC fully realizes and appreciates that it was the leadership and initiative of this Subcommittee which eventually resulted in the passage of the 1982 Surface Transportation Assistance Act.

That landmark legislation greatly increased the States' ability to preserve and enhance the highways and bridges that constitute our nation's Federal-aid highway system. The States are certainly to be commended for obligating every Federal-aid dollar that the STAA made available to them last year.

We all know that the passage of the 1982 STAA did not occur in a vacuum. It was the end result of years of examination, especially by this Subcommittee, into the immediate and long-term capital needs of this nation's highway transportation network. That examination was coupled by an extensive, and I believe largely successful, effort to educate the American public as to the dangers of a crumbling highway transportation system and the overwhelming need to provide for significantly increased levels of capital investment in that system.

## AGC Supports Full Funding Under the 1982 STAA for FY 1985

AGC viewed the Surface Transportation Assistance Act as the re-establishment by Congress of the principle of an adequately-funded, long-term, stable Federal-aid highway program. We felt then, and we feel now, that a reviving economy deserves no less. We felt then, and we feel now, that the motoring public deserves no less. We commend the Environment and Public Works Committee for its continuing efforts on behalf of an adequately-funded highway program, as shown by its recommendation to the Budget Committee for full FY 1985 funding for the Federal-aid highway program under the 1982 STAA. AGC fully supports the Committee in this regard.

Need for Expeditious Approval of an "18 Month" ICE

Everyone recognizes that the commitments made by Congress in the 1982 STAA to rebuild our transportation infrastructure and combat unemployment were partially undermined by the recent five month delay in approving an Interstate Cost Estimate (ICE). AGC applauds the leadership and dedication shown by the Chairman and Members of this Subcommittee in reaching what we all know was a most difficult compromise with the House, and which allowed for the release to the States of approximately $2.7 billion in much-needed Interstate construction, Interstate substitute and 85 percent minimum allocation funds.

Those released funds, when added to the approximately $600 million in discretionary funds recently distributed by the Federal Highway Administration, and the $7.5 billion in highway funds apportioned among the States on October 1, 1983, account for $10.8 billion, or 83 percent of the approximately $13 billion authorized by the STAA for the Federal-aid highway program this year.

AGC urges this Subcommittee to proceed as expeditiously as possible with a measure approving an "18 Month" ICE. The States' highway improvement programs and the highway construction industry can ill afford another prolonged period of uncertainty caused by delayed Congressional approval of an Interstate Cost Estimate. The ability of the States to program projects and conduct financial planning, the construction industry's need for a predictable and stable program within which to make cost-effective, long-term capital investments, the extent to which a smoothly-functioning highway improvement program can aid economic growth, and the basic right of the travelling public to a safe naional highway system, are all compelling reasons for prompt Congressional action on an "18 Month" ICE bill.

Future ICE Approval Procedures

We are all aware that the Supreme Court's June 23, 1983 decision on the legislative veto is at the root of the current ICE approval problem. Since the decision appears to preclude approval of future ICEs by Concurrent Resolution, AGC believes this Subcommittee should reconsider the value and need for an annual ICE approval.

AGC would support legislation directing the Federal Highway Administration to make the necessary adjustments to the Interstate Cost Estimate and to administratively allocate the funds each October 1.

AGC would not suggest a lessening of effective Congressional oversight of the Federal-aid Highway Program, including the Interstate completion program, but we strongly believe the economic and safety-related benefits that are derived from a stable, smoothly functioning Federal-aid highway program dictate that procedures must be developed to provide for the timely approval of Interstate Cost Estimates. Allowing the Federal Highway Administration to administratively adjust the ICE annually would not, in our opinion, preclude Congress from making any changes to the ICE whenever it so desired. It would, however, as Chairman Stafford recently noted at AGC's annual convention, "assure that the States would not be penalized, and the program would not suffer, while Congress made its decision."

## Protecting the Financial Integrity of the Highway Trust Fund

AGC strongly encourages this Subcommittee to continue its leadership role in protecting the Highway Trust Fund from further losses in revenue caused by unwarranted exemptions from highway user fees. AGC believes such exemptions, without exception, violate the basic principle of the Federal-aid highway program; that is, those who use our highways should pay their fair share of the cost to preserve and improve those highways.

Recently the Congressional Budget Office (CBO) submitted testimony to this Subcommittee that raised important questions regarding the financial health of the Highway Trust Fund's highway account, even without further reductions in revenue caused by additional tax exemptions. CBO esimates that total receipts to the account from FY 1982 to 1986 will average $11.5 billion per year when interest on the cash balance is added. Authorizations for the same period will average $14.4 billion per year, which exceeds receipts by about $2.9 billion per year. The current $9 billion cash balance in the Trust Fund, and the delay between authorizations and outlays will provide a cushion to absorb this shortfall for a few years, but according to CBO, the Trust Fund's cash balance will be exhausted by FY 1989.

Revenue projections of tax receipts and outlays are of course subject to many uncertainties from changing interest rates and adjustments in law. But it is extremely clear to AGC that the Highway Trust Fund is not in a position to finance further exemptions to highway user fees. The Surface Transportation Assistance Act of 1982 increased highway authorizations significantly, but the infrastructure needs of our highway system greatly exceed the money currently authorized. Further reducing trust fund receipts through increased exemptions will only further the gap between available revenues and these transportation infrastructure needs.

We are aware that the Senate Finance Committee has included in its deficit reduction tax package, an increase in the gasohol fuel tax exemption from five to six cents. According to the Federal Highway Administration, the existing five cent per gallon exemption will result in losses to the Trust Fund of approximately $200 million in FY 1984, rising to losses of approximately $250 million per year by FY 1988. Expansion of the gasohol exemption to six cents would expand the revenue loss by $150 million per year by 1988.

Subsidizing the gasohol industry may be sound policy to support farm prices and/or decrease our dependence on foreign energy supplies. But AGC strongly believes that subsidizing the gasohol industry at the expense of the nation's highways and bridges is not sound public policy. It violates the user fee principle of the highway program, and the Highway Trust Fund simply cannot afford it. If the gasohol indudstry must continue to be subsidized, AGC believes the subsidy should come from general revenues. A vehicle powered by gasohol contributes to the wear and tear of our highways and bridges as much as a vehicle powered by gasoline or diesel fuel. Both vehicles should pay their fair share of highway user fees.

AGC questions the basic premises that gasohol subsidies benefit the agricultural economy and/or decrease our nation's dependence on foreign energy sources. Census Bureau data indicate that significant amounts of the gasohol consumed in this country is made with imported ethanol. AGC questions how such a situation can help achieve the agricultural and energy-related benefits cited by gasohol proponents. Additionally, such a situation only increases the basic unfairness of subsidizing gasohol through the Highway Trust Fund. We wonder how Congress can permit the use of highway user fees, which are needed to build and repair our nation's highways and bridges, to subsidize the alcohol fuels industry in South America.

AGC is aware of proposals to reimburse the Highway Trust Fund from general tax receipts for revenues lost due to an expansion of the current gasohol exemption. AGC cautions against accepting proposals for an increased gasohol exemption simply because they may contain such a "hold-harmless" provision. Proposals to reimburse the Highway Trust Fund from general tax receipts for revenues lost because of the gasohol exemption create numerous problems. The pressure to reduce, postpone or eliminate the reimbursement because of high budget deficits will always be present. More importantly, the use of contract authority, which is key to the operation of the highway program, could well be endangered.

Currently, as the Subcommittee is fully aware, contract authority is provided to the States without the funds being appropriated by the Congress. If over ten percent of the receipts to the Highway Trust Fund are from non-user fee sources, such as reimbursement for lost revenues from the general fund, highway funds would have to be appropriated by the Congress on an annual basis, which would prevent the use of contract authority. If gasohol production should rise to the 25 billion gallon level by 1990 as is now projected by some energy experts, a nine-cent exemption for gasohol could, for example, result in the need to replace $2.25 billion in lost Highway Trust Fund revenues with general tax revenues. A replacement of Trust Fund revenues of this magnitude could eliminate the use of contract authority, which would greatly disrupt the States' ability to plan and efficiently administer their highway improvement programs.

Also of importance to the Highway Trust Fund is the current effort to enact an alternative to the heavy vehicle use tax scheduled to go into effect July 1 of 1984. AGC believes it is imperative to the long-term financial stability of the Highway Trust Fund that any alternative tax generate the same level of revenues as the heavy vehicle use tax that may be repealed.

The goals of selecting an alternative heavy vehicle use tax that is equitable among different classes of trucks, can be easily administered and enforced, and is revenue neutral, provide sound and balanced criteria against which to judge alternative tax proposals. In selecting an alternative tax, however, AGC believes the revenue neutral goal must be met first, and should not be sacrificed at the expense of meeting the other two goals, or to reach a compromise. The Trust Fund can afford no less, and the other highway users who finance the Fund should not be asked to accept anything less.

## Disadvantaged Business Enterprise Requirements Remain Central Concern of Highway Construction Industry

As this Subcommittee begins the process of reviewing and analyzing the many provisions of the 1982 Surface Transportation Assistance Act, in preparation for major highway legislation to be enacted in 1986, it must be mindful of the very harmful side effects Section 105(f) of the 1982 STAA is having on the States' highway improvement programs and on the highway construction industry.

Section 105(f) is similar to the ten percent MBE quota amendment enacted as part of the Public Works Employment Act of 1977. In sponsoring the House-passed version of the provision, Congressman Parren Mitchell noted in his introductory remarks, "I would simply like to indicate that, based on the experience of the Public Works Act of 1977, the amendment met with enormous success."

The facts, however, contradict this statement. The Comptroller General of the U. S. conducted an analysis of the ten percent MBE quota in the Public Works Employment Act of 1977. The following conclusions are quoted from that report:

- "The price quotes of minority firms averaged about nine percent higher than normal prices."

- "...about 40 percent of the prime contractors on 7,196 projects had problems with the prices quoted by minority firms. Most prime contractors stated that price quotes by minority firms generally increased costs because contracts were negotiated or competition was limited to minority firms."

- "Construction costs on some...projects escalated because the prime contract award did not go to the low bidder."

- "...implementing and monitoring of the 10 percent minority provision required a disproportionate amount of the ...funds earmarked to administer..."

- "about 19 percent, or one of every five projects, had delays after construction started because of problems with minority firms. The delays averaged about five weeks."

- "An estimated 48 percent of the prime contractors on 3,500 rural projects and an estimated 51 percent of the prime contractors on 3,696 urban projects had problems locating minority firms to satisfy the ten percent requirement."

AGC believes these facts fail to support a conclusion that the 1977 ten percent MBE quota was "enormously successful." Due to the similarities between the 1977 MBE quota and Section 105(f) of the Surface Transportation Assistance Act, there is every reason to believe that these same problems and unnecessary increased costs are being experienced under the Surface Transportation Assistance Act. If they are, the additional costs that will be incurred to fully implement Section 105(f) will be a minimum of one-half billion dollars.

Ordinarily, Federal-aid highway contracts must be awarded through competitive bidding procedures to the lowest responsible bidder. This procedure assures intense competition within the industry, and assures that the project will be completed at the most economical cost to taxpayers. Section 105(f) changes this economical and proven procurement system.

Section 105(f) is forcing bidders on Federal-aid highway work to ignore price quotations offered by non-minority specialty subcontractors, and to award subcontracts to MBEs, often at higher prices than available from the non-MBE subcontractors, in order to comply with the goal requirement. The result is that the very existence of these small non-minority contractors is seriously being threatened.

Highway construction does not easily lend itself to a large or significant amount of subcontracting. Highway construction is an equipment intensive and capital intensive industry. On the average, 90 percent of a typical highway construction contract is performed by the prime contractor's own work force, leaving ten percent available for subcontract award, usually in specialty areas such as guardrail installation, signing, barrier and related safety work, landscaping and fencing. Requiring prime contractors to subcontract ten percent, or more, of each project to MBEs virtually excludes other small, non-minority specialty subcontractors from the highway subcontracting marketplace.

AGC urges, in the strongest of terms, that should a quota provision similar to Section 105(f) be offered during Congress' deliberations over a 1986 highway bill, it not be blindly accepted without hearings or debate. There are far more equitable, cost-effective and workable alternatives to quota programs that offer a greater chance for success, without the harmful side effects of quotas. For example, disadvantaged businesses could be greatly assisted by the elimination of public construction agency competition via public force account construction. Small construction projects have proved to be the ideal training grounds for emerging small and minority business enterprises. Yet, we are presented with an extraordinary contradiction: as a social policy the nation has attempted to encourage the growth and development of minority owned firms; but many cities, counties and state highway agencies refuse to put small construction projects out for bid to the private sector, instead keeping them to be performed by taxpayer financed construction operations. This system, commonly referred to as public force account construction, removes from the marketplace hundreds of thousands of construction opportunities that are within the scope of DBE qualifications and bonding capacities, and narrows the market for projects which are within their current capacities.

Mr. Chairman, that concludes AGC's testimony and I would be pleased to respond to any questions.

# TESTIMONY BY ROBERT E. FARRIS
BEFORE THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE COMMITTEE
ON ENVIRONMENT AND PUBLIC WORKS
MARCH 22, 1984, AT 9:30 A.M.
COMMITTEE HEARING ROOM
406 DIRKSEN SENATE OFFICE BUILDING, WASHINGTON ,D.C.

Mr. Chairman, Committee Members, Ladies and Gentlemen: I wish to express my appreciation for having this opportunity to present to you my thoughts on the Federal Aid Highway Program. First, I want to say that the Surface Transportation Assistance Act of 1982 was a major step toward meeting the critical rehabilitation needs of the Nation's roads and bridges. In Tennessee we are beginning to make excellent progress toward upgrading our highway system and our bridges. We are extremely pleased with the progress we have made in our bridge replacement program especially the antiquated bridges on our local roads and streets that have been neglected for so long. We definitely feel that credit for much of our success in the off-system program is a result of Section 132 of the STAA. Since we have successfully demonstrated in Tennessee the benefits of Section 132, I recommend that Section 132 be amended to continue this program giving any state the option to utilize our demonstrated approach to the replacement for off-system bridges if a state other than Tennessee so desires.

Today I would like to discuss a highway transportation need I feel is essential to the economic future of the Nation that is not being met and cannot be met under the structure of the present Federal Aid Highway program. This need is for constructing and improving the access roads needed to adequately serve new and expanding industry. We have almost completed the Interstate Highway System which does an excellent job in in moving traffic across country. Our big need now is to provide the access and circulation needed at the ends of the cross country travel. Our problems occur at the terminal points primarily where goods and services are produced. This problem has not been sufficiently addressed in the STAA of 1982, and I am sure you will find that this need which is common to most states is not being met at the local level. The Primary and Secondary Highway Programs are not adequate to fulfill the role that highway transportation must play in supporting the nation's economy in a manner required to maintain this country's lead in technology.

Whether we like it or not we are in the midst of a technological revolution and if we are to win this worldwide revolution and as a nation continue to maintain our lead in high-technology, a comprehensive and coordinated approach to developing and marketing our vast resources must be undertaken. Since adequate highway transportation is essential to the economic future of our nation, I sincerely believe we should recognize and begin to address this need in any proposed new Highway Legislation.

In Tennessee, we are undertaking a coordinated program to enhance the State's prepardness for technology-based industry. I believe our undertaking could be an example as to what can be accomplished at the National level if the various resources available within numerous regions of the country are properly utilized in a cooperative partnership between government agencies and the private sector.

I would like to take this opportunity to brief you on what we are doing in Tennessee, and suggest a role in our undertaking for the Federal Aid Highway Program. On November 9, 1981, Governor Lamar Alexander presented a conceptual proposal to utilize the scientific and other technical resources of the Knoxville-Oak Ridge, Tennessee area that will demonstrate how to facilitate expansion of existing technologically oriented industry and attract new high-technology business to the State of Tennessee. The Governor envisioned a packaging of the State's key technological resources into an entity and creating a cooperative private/public partnership capable of effectively supporting the formation and attraction of high-technology industry.

The Oak Ridge-Knoxville area is particularly suited for such development because of its relatively undeveloped, pastoral character; potential access to existing or planned high-speed arterial highways and commercial air services; suitability for low-density, campus-like development; and proximity to what could be called existing spheres of technological strength already in place.

In addition to these attributes and the other "quality-of-life" characteristics of the area that are typically required by employees of high-technology firms, the area has institutions already in place capable of responding to the research, management, and manpower training needs of such firms. In short, the corridor either has or can have all the physical and institutional resources necessary to be successfully marketed as a location for high-technology industry.

In pursuit of this idea, Governor Alexander appointed a task force to assess the feasibility of the proposal and if found to be feasible provide specific recommendations for its implementation.

An inventory of public and private technology resources prepared by the task force revealed that the Knoxville-Oak Ridge area, with the land base provided by the existing and proposed segments of State Route 162, locally known as Pellissippi Parkway, could effectively serve the functions of a technology corridor.

Located within or adjacent to the corridor were such institutions as the University of Tennessee, the Oak Ridge National Laboratory, the

Tennessee Valley Authority, and the Department of Energy facilities at Oak Ridge. All of these institutions have gained international acclaim. in scientific fields. That recognition and the existing 20,000 high technology jobs already in place provide a strong base for the development of the Pellissippi Parkway Technology Corridor. The Oak Ridge National Laboratory is internationally-known for scientific advancement, particularly in the fields of instrumentation and materials development. The University of Tennessee, Knoxville (UTK) is acquiring a reputation of excellence for work in biotechnololgy, and UTK engineers are conducting important research in image processing, robotics and polymers. TVA, the nation's largest electric power producer and regional development agency, is responsible for much of the pioneering work in power production technology. The U.S. Department of Energy defense and uranium enrichment facilities at Oak Ridge contain some of the world's most sophisticated engineering and precision machining laboratories. Added to the work at these institutions is the private sector which includes a dozen new spinoff companies whose attitude and sence of excitement are important to technical progress.

Among TVA, The University of Tennessee, the Oak Ridge National Laboratory and the private sector there are approximately 2,300 Ph.D's in all areas (disciplines), and nearly 5,000 engineers. The associated skilled technicians and craftsmen, administrative and clerical support personnel bring total technology related employment in the Oak Ridge-Knoxville area to well over 30,000.

Another very significant asset the area has to offer is the quality of life in the region. "Places Rated Almanac," a Rand-McNally publication, ranks the Knoxville area as one of its top cities. From their offices at Oak Ridge National Laboratory, the Tennessee Valley Authority, and the University of Tennessee, scientists can turn from their work to windows framing breathtaking views of the Great Smokies, the Cumberland Mountains and TVA lakes. The cultural resources of this region are now sufficiently diverse and of a quality to meet the needs of technical and business leaders the area must attract and hold. The outdoor recreational resources of the region are substantially beyond those generally available elsewhere. Few places in the world can offer a metropolitan area with such easy access to mountains, lakes, wilderness, wildlife, and a full range of active and passive recreational opportunities.

As a part of the feasibility study a task force study committee looked at developments elsewhere throughout the nation such as the Research Triangle in North Carolina, Route 128 in Massachusetts, and Silicon Valley in California, to determine how they came to fruition - their strengths and weaknesses, and the factors of their success that might relate to the various strengths and weaknesses of the Knoxville-Oak Ridge Area.

The resulting assessment of the feasibility of the Pellissippi Parkway as a potential high-technology corridor revealed that this corridor has much in common with these three premier high-technology industrial parks.

The findings of the task force study, also revealed a number of elements present in the Knoxville-Oak Ridge area that appeared to be common to all high-technology industrial development projects which have proved to be successful. These include:

1. Proximity to academic complexes with strong graduate research programs.

2. Strong post-secondary and technical training capability that ensures an extensive regional labor pool having relevant technological expertise.

3. Substantial land base either previously held by a university or acquired as a geographic focal point from which private-sector development evolved.

4. Region's renown for "quality-of-life" amenities (cultural, educational, recreational).

5. One or more persistent advocates with good relationships with industry leaders and the academic community.

6. Ripe technological markets with commercialization efforts usually focused on single or complementary produce lines (i.e., microelectronics, data processing systems, telemetry, etc.)

However, despite these tremendous resources - which compare most favorably with the areas examined in other states there has not been much growth of high-technology business in Tennessee. We feel strongly that these resources have not been packaged and marketed adequately. For a State or a Region to realize its potential as a center for high-technology industry, there is a need to package the resources already in place or planned so that outside business will be attracted to the area, and local entrepreneurs can readily receive the help needed to achieve their maximum potential.

Based on the findings and the conclusions drawn from its research, the task force determined that a technology corridor is both feasible and essential if Tennessee is to more effectively attract and serve the specific needs of high-technology industry through a focused developmental and marketing effort. Although the task force identified some areas of weakness, it is important to note that these shortcomings can be remedied and, with a strong commitment, transformed into powerful tools for promoting the expansion and new growth of high-technology economic development.

The following four specific courses of action were recommended by the task force as being necessary to overcome the weaknesses identified and assure the success of the high-technology corridor.

1. A non profit corporation should be chartered to foster and support high-technology economic development. The corporation should be governed by a board respresentative of the State's business and financial leaders which could constantly seek out and grasp the opportunities presented by the scientific and technical resources of the Knoxville-Oak Ridge area. This mission should be accomplished through:

a. Marketing the assets of the region to high-technology businesses located outside the State.

b. Facilitating the establishment of new and the expansion of existing technology-oriented firms through specialized management assistance and brokerage of the technical and business services needed by entrepreneurs.

c. Land management in the corridor region should be effected so that sufficient high-quality land is available to compete favorably with sites being offered elsewhere to high-technology firms.

2. Foster Cooperative Industrial Research and Service among the State's public and private organizations, particularly the University of Tennessee at Knoxville, Oak Ridge National Laboratory, Tennessee Tech, TVA, the Space Center at Tullahoma, and high-technology businesses, and provide continued support for post-secondary institutions for improvements in their research programs and teaching.

3. Take immediate steps for the construction of a campus for the State Technical Institute at Knoxville at a site within the Pellissippi Parkway corridor.

4. Extend Pellissippi Parkway as a full controlled access highway southward to the McGhee Tyson Municipal Airport and northward into Oak Ridge.

These extensions would provide an adequate north-south highway throughout the entire corridor linking it with Interstate 75 and 40 and provide easy access to commercial air transporation so vitally needed for the project to succeed.

Realizing the enormous benefits to be gained from the high-technology based development, Tennessee has made a firm commitment to implement to the extent of our financial capability these four task force recommendations. Not only do we feel that this undertaking will provide enormous economic rewards to the people of Tennessee, it will clearly demonstrate to the Nation how a region's natural and human resources can be harnassed to meet the challenge of the future.

Not only has Tennessee made the commitment to implement the task force recommendations, almost all of the recommendations have been implemented or are in the process of being implemented.

In responce to recommendation number one, a nonprofit private corporation has been chartered, which is now known as the Tennessee Technology Foundation. The Foudation has been functioning for just over a year and is making tremendous progress toward accomplishing its mission. It now has in place a program for marketing the corridor's assets, a program to provide specialized management and technical assistance to high-technology industry and a program to facilitate the establishment of new or the expansion of existing technology-oriented industry in the corridor area.

Also in response to recommendation number one, a Tennessee Technology Corridor Development Authority has been established by legislative action. The legislation gives the Authority overlay zoning powers for technology corridor in order to assure proper use of available developable land.

Interim funding for the activities of the Foundation and the Authority have been provided by a $1.2 million ARC grant. Two million dollars is being proposed in the Governor's 1984-85 fiscal year budget for an endowment grant to be matched with private funds to support the continued operation of the Foundation.

A special legislative session called by Governor Alexander in January of this year has just completed the passage of a Comprehensive Education Reform Act for Tennessee. The programs and funding authorized by this Act has made it possible for task force recommendations two and three to be implemented. This legislation included ten million dollars for centers of excellence in education. These funds are primarily for the support of basic and applied research and graduate education centers. One of the first programs expected to be funded under this program is the Science Alliance Program that will integrate U.T.K. and O.R.N.L. activities in three basic science areas: physics, chemistry, and biology.

In response to recommendation number three, a site has been selected on Pellissippi Parkway for the construction of the new State Technical Institute, land acquisition is already underway and the development of the master plan for the new facility has already been started by the architect. State funds in the amount of $22,150,000 has been allocated for this facility.

The fourth and most costly recommendation to implement is completing the extensions of Pellissippi Parkway. The State has committed over $10 million of State and Federal Aid Primary highway funds to complete the northern extension of Pellissippi Parkway into Oak Ridge. Part of the construction on this extension is already underway and engineering has been started on the remainder. The state has also committed over $50 million in interstate funds in improvements on Interstate 40 within the corridor area and $5.7 million in state highway funds for local road improvements within the corridor has also been committed for a total highway commitment of over $65 million. We also have environmental and preliminary engineering studies underway on the Pellissippi Parkway extension from I-40 across the Tennessee River to the McGhee Tyson Airport. This extension is estimate to cost $130 million.

This $130 million project is beyond our capabilities of funding with our regular primary highway program. Yet it is vital to the success of our high-technology corridor and must be built as soon as possible.

I am, therefore, recommending that Congress include special funding for a highway demonstration project in the Pellissippi Parkway Technology Corridor. If this project is successful and our stated objectives are met, we feel that the nation can greatly benefit by taking advantage of other potential high-technology developmental coridors throughout the country. The proposed legislation being considered by Senator Baker will accomplish this objective.

After this demonstration has been proven successful, Congress then should consider a discretionary developmental highway program to be administered by the Secretary of Transportation to assist technological development throughout the Nation.

Because this project is located in a very environmentally sensitive area, we also intend to demonstrate by using the latest environmental engineering techniques available how a major highway facility can be located, designed, and constructed in a manner that will not reduce the quality of adjacent residential neighborhoods.

Many of the facilities that will be served by extending the Pellissippi Parkway are government owned and energy research related institutions. Also, many of the private companies located within the corridor have evolved as a spin-off from the government institutions. We, therefore, feel that our request for federal assistance in our undertaking is justified for several reasons. First, a large part of the transportation needs in the area were either the direct or indirect result of government activity. A disproportionate share of the cost for meeting the transportation's needs of the area generated by this activity has been born by the State of Tennessee. And secondly, the accomplishment that can be demonstrated by the implementation of this project are two fold. One is a demonstration of how highways can support local and regional economic developmental goals and the other is how a major highway facility can be made compatable with adjacent landuses, both residential and industrial. I, therefore, sincerely recommend that you give this proposal your favorable consideration.

## INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION

### REPORT IN SUPPORT OF ELIMINATING THE FEDERAL GOVERNMENT'S STATUTORY REVIEW POWER OVER BRIDGE TOLLS

### I. THE STATUTES

Prior to 1899, Congress exercised its constitutional power over bridge tolls through individual authorizing legislation for the construction of bridges over navigable waters. The legislation generally provided for the regulation of toll rates either by the Federal courts, the Secretary of War or by Congress itself. The standard of regulation with respect to toll rates was expressed in terms of being "reasonable" or "proper and reasonable."

### A. The 1899 Act

In 1899, as part of the Rivers and Harbors Appropriation Act, Congress provided, *inter alia*, that those bridges which crossed "waterways the navigable portions of which lie wholly within the limits of a single State" could be built under the authority of that State's legislature and did not require Congressional approval as long as the plans for the bridge were submitted to and approved by the Chief of Engineers and the Secretary of the Army. Thus, the tolls on bridges built under the 1899 Act, even though they cross navigable waters, are not subject to any Federal regulation. The 1899 Act is still in effect today and, if applicable, may be relied upon as the statutory basis for constructing a new bridge over navigable waters.

## B. The Bridge Act of 1906

The purpose of the Bridge Act of 1906 was to establish uniform regulations for the construction and operation of international and interstate bridges, as well as intrastate bridges not subject to the 1899 Act, and to reduce the amount of time required for drafting and debating individual bridge laws. Thus, although under the 1906 Act, individual acts of Congress were still required to authorize those bridges subject to the Act, a uniform standard for the setting of tolls was provided, to wit:

> "If tolls shall be charged for the transit over any bridge constructed under the provisions of said sections...such tolls shall be reasonable and just, and the Secretary of War may, at any time, and from time to time, prescribe reasonable rates of tolls for such transit over such bridge, and the rates so prescribed shall be the legal rates and shall be the rates demanded and received for such transit."

The function originally granted to the Secretary of War was transferred in 1966 to the Secretary of Transportation, 49 U.S.C. Section 1655 (g)(6)(B), who has delegated it to the Federal Highway Administrator, 49 CFR §1.48(i)(1).

In 1926 Congress agreed to establish a new bridge policy. Pursuant to this policy, a private entity would be allowed a fair opportunity to amortize its investment and realize profits from its tolls, but the State in which the bridge is located would have the right to acquire the bridge. A public entity, on the other hand, would only be allowed to charge tolls to provide a fund sufficient to pay for the cost of maintaining, repairing and operating the bridge and to provide a sinking fund sufficient to amortize the cost of the bridge as soon as possible under reasonable charges.

In consenting to the construction of toll bridges after 1926, Congress used the forms for the bridge bills it had developed embodying the above guidelines. With regard to publicly owned bridges, Congess initially gave the owner the option of either operating the bridge free of tolls after the sinking fund had been provided for, or at a rate necessary to cover the operating and maintenance costs of the bridge. The latter option was eventually discontinued.

As of January 1980 there were 43 toll bridges in operation which were subject to the 1906 Act, 32 interstate and 11 intrastate. Twenty-one of the 46 bridges covered by the 1906 Act are subject only to the requirement that tolls be "reasonable and just". Tolls on the remaining 22 bridges are subject to the more restrictive policy that tolls can be charged only to the extent required to recover the capital and operating costs of the bridge. Of the 22 bridges subject to more restrictive requirements, 12 are allowed to charge tolls to cover their operation and maintenance cost even after the capital costs of the bridge have been recovered, while the remaining 10 must be made toll free once their capital costs have been recovered.

### C. The General Bridge Act of 1946

The General Bridge Act of 1946 supersedes the Bridge Act of 1906 with regard to any bridge over navigable waters whose construction was approved after August 2, 1946 and which otherwise would have been subject to the 1906 Act. A primary objective of the 1946 Act was to eliminate the necessity for a special authorizing act for each individual bridge. Thus, the 1946 Act gave Congress' advance consent to the construction, maintenance and operation of those bridges whose location, plans and specifications were approved by the Secretary of the Army, thereby significantly simplifying procedures for the construction of bridges over navigable waters of the United States.

The 1946 Act, like the 1906 Act, applies to both publicly and privately owned bridges. Unlike the 1906 Act, however, the toll provisions of the 1946 Act are limited to interstate bridges. Thus, the tolls on all intrastate bridges constructed after 1946 are not regulated by any Federal statute.

Also, unlike the 1906 Act, the 1946 Act contains substantially more restrictive toll provisions for publicly owned bridges than for those that are privately owned. Thus, while the 1946 Act utilizes the same "reasonable and just" phrase present in the 1906 Act, the 1946 statute contains several additional toll provisions. With regard to privately owned bridges, Sections 504 and 505 of the 1946 Act permit either of the States (or their subdivisions) in which the bridge is located to acquire either by condemnation or by expropriation, any private interstate toll bridge constructed under the provisions of the 1946 Act. With regard to publicly owned bridges, Section 506 requires that the tolls charged on such bridges be set at a rate to provide:

> "a fund sufficient to pay for the reasonable cost of maintaining...the bridge...under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor...within a period of not to exceed 20 years from the date of acquiring the same."

Thereafter, the bridge must be operated free of tolls. In 1948 the time limit was increased from 20 to 30 years.

Through specific legislation, Congress has authorized a number of exceptions to the requirements of the 1946 Act. As of January 1980 there were 16 toll bridges authorized under the provisions of the 1946 Act.

## D. International Bridge Act of 1972

Prior to 1972, international bridges continued to be authorized on an individual basis, pursuant to the 1906 Act. The International Bridge Act of 1972 granted congressional consent in advance, subject to certain restrictions, to the construction, maintenance and operation of international bridges.

The tolls on publicly owned bridges constructed under the provisions of the 1972 Act are subject to the "reasonable and just" test of the 1906 Act. The tolls on privately owned bridges constructed under the 1972 Act, however, may only be collected from the date of completion of the bridge for a reasonable period required for the amortization of the cost of construction or acquisition of the bridge including interest and financing costs and a reasonable return on invested capital. At the end of such period the United States' portion of the bridge and its approaches becomes the property of the State having jurisdiction over that portion of the bridge.

As of January 1980, there were a total of 24 international toll bridges, 23 of which were constructed without Federal-aid highway funds.* Twenty-one of these bridges are subject only to the "reasonable and just" test. Of the remaining two, one is permitted to continue to recover maintenance and operating costs after the capital cost has been recovered while the other must be made toll free upon recovery of capital costs.

## II. THE STATUTES AS APPLIED

It is significant that the adjudicatory proceedings required to determine the reasonableness of a particular toll increase have consumed inordinate amounts of manpower, time and expense on the part of the Federal government as well as on the part of the public owner of the bridge involved.

---

* The tolls on bridges constructed with Federal-aid highway funds (there are only three such toll bridges currently in operation) are subject to the provisions of section 129 of Title 23 of the United States Code and are not affected by the proposed legislation.

Proceedings before the Federal Highway Administrator under the 1906 and 1946 Bridge Acts are governed by the Highway Administration's Bridge Toll Procedural Rules (49 C.F.R. Part 310). These rules provide that as soon as a toll increase is announced any single individual can file a protest with the Federal Highway Administrator. That protest is the first step in a usually long and protracted administrative proceeding.

Upon receipt of such a protest or complaint, the Administrator must send a copy to the respondent (the bridge operator) who must file a written response with the Administrator within thirty days. After the Administrator receives the response he then decides whether a bridge toll investigation is warranted. Such investigations are usually conducted by the staff of the Highway Administration. At the conclusion of the investigation, a written report is presented to the Administrator which includes the staff's recommendations for further action by the Administrator. A copy of the staff report is furnished to both the respondent and the complainant(s). The Administrator can then dismiss the complaint, order an "informal conference", or direct that formal adjudicatory proceedings be held.

If the Administrator determines that grounds for formal adjudication exist, he then issues an order calling for a public hearing and appointing an Administrative Law Judge to preside over the hearing. As soon as practicable after his appointment, the Administrative Law Judge issues an order setting the date, time and place for the hearing.

After the formal public hearing is concluded, each party may file with the Administrative Law Judge proposed findings of fact, conclusions of law and a supporting brief stating the reasons for each proposal. The Administrative Law Judge then issues a recommended decision and order to the Administrator. The parties are then allowed to file with the Administrator exceptions to the Administrative Law Judge's recommended decision or order together with a supporting brief. Upon review of the Administrative Law Judge's recommended decision and the briefs on exception, the Administrator is free: (1) to adopt the Administrative Law Judge's recommended findings of fact, conclusions of law and order, in whole or in part; (2) to reject the Administrative Law Judge's recommendation; or (3) he may remand the proceedings to the Administrative Law Judge with instructions for such further proceedings as he deems appropriate. Within twenty days after the date of service specified in the Administrator's final order any party may petition the Administrator for reconsideration of his order. The Administrator's "final-final" order, once it is issued, can then, of course, be challenged in the Federal courts.

An example of the inordinate amount of time involved in challenging a bridge toll increase under the above procedure is the recently concluded case involving a toll increase propounded by The Port Authority of New York and New Jersey in May of 1975. That particular proceeding took almost five years to complete and culminated in a decision by the United States Court of Appeals for the Second Circuit upholding the validity of the Authority's increased tolls. Similarly, a challenge to a toll increase propounded by the City of Burlington, Iowa, in 1968, took five years to resolve. Significantly, that proceeding also terminated with a decision by the United States Court of Appeals upholding the legal position of the local bridge owner.

## III. REASONS FOR PROPOSED LEGISLATION

### A. The Present Regulatory Scheme is Internally Inconsistent

A reading of the preceding sections of this report demonstrates that the existing Federal statutes relating to bridge tolls are nothing more than a conglomeration of individual pieces of legislation, enacted over a period of many years, with no consistent philosoply and furthering conflicting policies. Thus, tolls on some bridges, all tunnels, all ferries, and all non-Federally-aided toll roads are not regulated at all, and those bridges whose tolls are regulated are subject to provisions which run the gamut from requiring that tolls meet only a general test of being "reasonable and just" to requiring that the bridge be made toll free once capital costs have been recovered.

Moreover, whether a bridge is subject to a particular toll provision is not based on any tenet of public policy but is dependent solely on the date the particular bridge was constructed. As a result, two bridges, side by side, carrying exactly the same traffic, and serving precisely the same populace, could be, and sometimes are, subject to different Federal statutes. For example, if the two bridges are intrastate and one was constructed prior to 1946 and the other was constructed after 1946, the tolls on the former bridge would be subject to the "reasonable and just" requirement of the 1906 Act, while the latter bridge would be free of any Federal toll regulation whatsoever. This would be so since, as previously noted, the toll provisions of the 1946 Act, which govern bridges constructed after 1946, do not apply to intrastate bridges, while the tolls on bridges subject to the 1906 Act are regulated whether the bridges are interstate or intrastate.

A specific example highlights this point. The Verrazano-Narrows Bridge is a major crossing which connects the boroughs of Staten Island and Brooklyn in New York City. It carries 47 million vehicles a year, is 2 1/2 miles long, and serves as a major artery for traffic between the States of New York and New Jersey. The Verrazano-Narrows Bridge, however, is not subject to any Federal toll regulation, because it is an intrastate bridge constructed after 1946. By contrast the tolls on the intrastate Rip Van Winkle Bridge, which crosses the Hudson River in upstate New York, carries less than 3 million vehicles a year, is less than a mile long, and can by no means be considered a major artery, are subject to Federal regulation (the 1906 Act) merely because the bridge was constructed prior to 1946.

In another instance, the tolls charged on the Triborough Bridge, another major artery, which connects the boroughs of Manhattan, Brooklyn and Queens, in New York City, are also free of any Federal regulation, even though the bridge was constructed prior to 1946. This is so because the Triborough Bridge crosses "waterways the navigable portions of which lie wholly within the limits of a single State," and it therefore falls within the ambit of the 1899 Act.

Perhaps the most dramatic example of the arbitrary nature of the Federal statutory scheme relating to tolls on water crossings is the fact that tunnels are completely outside the scope of the statutes. For example, the tolls on the George Washington Bridge, which crosses the Hudson River between New York and New Jersey, are Federally regulated by the 1906 Act, whereas the tolls on the nearby Lincoln and Holland Tunnels, which also cross the Hudson River between New York and New Jersey, are not subject to any Federal regulation.

Finally, even bridges which are regulated by the same statute, are subject to different toll policies. Thus, bridges regulated by the 1906 Act will be subject to different toll policies depending upon when the particular bridge was constructed. This is so because bridges constructed after 1926, unlike those constructed prior to 1926, must be made toll free once capital costs have been recovered. Similarly, although the 1946 Act sets certain limits on tolls and requires that bridges be made toll free after a period of 30 years, several major public bridge owners have been granted Congressional exemptions to the toll free requirements of the 1946 Act.

## B. The Regulation of Bridge Tolls Should Be The Responsibility of The States

Although the Federal government certainly has a legitimate interest in the transportation needs of its citizens, it is clear that there is no compelling reason for the Federal government to be involved in the setting of specific rates of tolls on bridges. Thus, as indicated by the lack of public protest regarding the rates of tolls on the large number of federally unregulated crossings, there are sufficient local pressures from the governors and State and local legislatures to protect bridge users from the imposition of unfair tolls. Since a toll increase is inevitably a source of consternation to the citizen users of the bridge to whom the bridge owners are ultimately responsible, there is tremendous pressure on the bridge owner and state and local legislators and other public officials to maintain reasonable tolls.

Perhaps the lack of any compelling Federal interest in bridge toll regulation is best demonstrated by the fact that it is entirely a quirk of fate whether the tolls on a particular bridge are Federally regulated. Moreover there is no Federal regulation of tolls on tunnels, ferries and non-Federal-aid toll roads. Indeed, the original purpose of the major Federal bridge statutes was not the regulation of tolls, but rather the protection of navigation from obstructive bridge construction. Thus, the proposed amendments would not be inconsistent with any real Federal interest, past or present.

Furthermore, the proposed amendments would not entirely eliminate the Federal "presence" in the toll area. Any aggrieved toll payer would be free to seek direct judicial review of a toll increase under the Commerce Clause of the Constitution on the theory that the increased tolls constituted an impermissible burden on interstate commerce. Indeed, to a certain extent the bridge user would have a more meaningfull remedy without the toll provisions in the various bridge statutes since he would not have to go through several years of costly administrative proceedings before being allowed access to the Federal courts. In addition, if the Federal Highway Administrator wishes to bring any matter of Federal concern to the court's attention, he can intervene on behalf of the Federal government in any such judicial proceeding.

Finally, as a matter of public policy, consistent with current attempts to reinvigorate the principles of our Federal system, the States and localities where a bridge is located should be free to regulate the tolls charged for the use of their crossing in a manner in accord with their regional interests rather than having specific toll rates mandated by the Federal government.

## C. The Proposed Legislation is Consistent with the Current Federal Policies Favoring Deregulation and the Elimination of Unnecessary Expenditures.

At a time when deregulation is affecting all forms of transportation and the Federal agencies which oversee them (e.g., CAB and ICC), it is evident that the toll provisions in the various unrelated and indeed, internally inconsistent, bridge statutes should be repealed. Deregulation is especially appropriate in the case of bridge tolls because the individual bridge user has several other forums where he can present his claim against allegedly unfair tolls.

Moreover, as pointed out in Section II of this report, it can take five years of conferences, investigations, reports, briefs and hearings before a challenge to a toll increase under the 1906 and 1946 Bridge Acts is finally resolved. The resultant use of public manpower, time and expense is clearly unwarranted. The adoption of the proposed amendments would free the Federal employees involved in administering the bridge statutes, as well as various personnel employed by the bridge owners themselves, for other more important duties.

## D. The Proposed Legislation Would Eliminate an Impediment To Financing By Public Bridge Owners.

At the present time, any attempted revenue bond financing by a public entity which operates bridges subject to one or more of the various Federal statutes governing bridge tolls must be accompanied by a statement by the entity that the revenues from its regulated bridges are subject to review by the Federal government. In other words, the agency must concede that it does not have complete power over the rates of toll it can charge on its bridges. As a result, potential purchasers of the entity's bonds are put on notice that the entity cannot guarantee that the revenues from its bridges will keep pace with the facilities' expenses. Thus, while the bridges may currently be generating a comfortable cash flow, it is conceivable that a future toll increase, which, in the opinion of the entity and the investing public, is necessary to keep the bridges in the black, might be vetoed by the Highway Administrator. Such a possibility is certainly an impediment to the bridge owner's financing, and it is reasonable to assume that if the Federal government's review power over bridge tolls were eliminated, the net cost of financing for those public entities owning regulated bridges would be reduced.

### E. The Present Statutory Scheme Is an Obstacle to Prudent Financial Planning

Under the present Federal statutes governing bridge tolls, the Highway Administrator is empowered at any time to review the reasonableness of the tolls being charged on the bridges under his jurisdiction as well as, of course, the validity of any toll increase propounded by the bridge owner. As a result, the bridge owner, in formulating its plans for the construction of new facilities as well as capital improvements to existing facilities, must always consider the possibility that any planned toll increase required to finance such facilities or improvements might be rejected by the Highway Administrator. Thus, a particular bridge may be in need of substantial capital and safety improvements but current revenues may be inadequate to support such improvements, making a toll increase necessary. Prudent financial planning would dictate that before the necessary capital or safety improvements are undertaken the increased revenues from the planned toll increase must be guaranteed. Under the present statutes, however, there is no way of knowing for certain whether the required toll increase will ultimately be upheld until the lengthy adjudicatory process, which could last as long as five years, is completed. Consequently, if the toll increase is necessary to pay for the capital improvements, such improvements cannot begin until the

Highway Administrator has upheld the validity of the toll increase.

Clearly, therefore, the existing statutory scheme presents an obstacle to the ability of bridge owners to properly plan their capital programs. If legislation eliminating the Federal government's review power over bridge tolls is adopted, bridge owners would be able to formulate more rational and accurate financial forcasts which, in turn, would contribute to safer, more efficient and more economical operations.

## CONCLUSION

In view of the many internal inconsistencies in the present regulatory statutes relating to bridge tolls; the limited application of the various Bridge Acts; the fact that users of interstate bridges can seek direct judicial review of toll increases under the Commerce Clause of the Constitution; the substantial local political pressures protecting bridge users from the imposition of unfair tolls; the current climate of regulatory reform; the need to eliminate unnecessary Federal expenditures; the desirability of eliminating impediments to bridge owner financing; and, finally, the fact that the existing statutes restrict prudent financial planning and delay essential capital and safety improvements; a repeal of the toll provisions in the various Federal statutes governing bridge tolls is clearly in the public interest.

# APPENDIX

## LIST OF TOLL BRIDGES REGULATED BY FEDERAL BRIDGE ACTS

### I. PUBLICLY-OWNED INTERNATIONAL BRIDGES

#### A. Owned by Authorities or Commissions

| BRIDGE | OWNER | WATERWAY |
|---|---|---|
| Baudette-Rainy River | Baudette Rainy River Bridge Authority | Rainy River between Minnesota and Canada |
| Peace | Buffalo-Fort Erie Public Bridge Auth. | Niagara River between New York and Canada |
| Thousand Islands | Thousand Islands Bridge Commission | St. Lawrence River between New York and Canada |
| Ogdensburg-Prescott | Ogdensburg Bridge Authority | St. Lawrence River between New York and Canada |
| Rainbow | Niagara Falls Bridge Commission | Niagara River between New York and Canada |
| Whirlpool Rapids | Niagara Falls Bridge Commission | Niagara River between New York and Canada |
| Lewiston-Queenstone | Niagara Falls Bridge Commission | Niagara River between New York and Canada |
| Seaway International | St. Lawrence Seaway Development Corp. | St. Lawrence River between New York and Canada |
| Bluewater | Michigan State Highway Commission | St. Clair River between Michigan and Canada |

### B. Owned by Municipalities or Counties

| BRIDGE | OWNER | WATERWAY | | |
|---|---|---|---|---|
| Del Rio International | City of Del Rio | Rio Grande River between Texas and Mexico | | |
| Laredo International (2 bridges) | City of Laredo | " | " | " |
| Cameron County International | Cameron County | " | " | " |
| Eagle Pass International | City of Eagle Pass | " | " | " |
| Roma International | Starr County | " | " | " |
| McAllen International | City of McAllen | " | " | " |
| Santa Fe Street (El Paso) | City of El Paso | " | " | " |
| Stanton Street (El Paso) | City of El Paso | " | " | " |

## II. PRIVATELY-OWNED INTERNATIONAL BRIDGES

| | | |
|---|---|---|
| Ambassador | Detroit International Bridge Company | Detroit River between Michigan and Canada |
| International Falls | Minnesota, Dakota and Western Railway Co. and International Bridge and Terminal Co., Ltd. | Rainy River and Canal between Minnesota and Canada |
| Brownsville | Brownsville and Matamoras Bridge Co. | Rio Grande River between Texas and Mexico |
| Presidio-Ojinaga | | Rio Grande River between Texas and Mexico |
| Progreso-Nuevo Progreso | | Rio Grande River between Texas and Mexico |
| Rio Grande City | Starr-Camargo Bridge Co. | Rio Grande River between Texas and Mexico |

## III. PUBLICLY-OWNED INTERSTATE BRIDGES

### A. Owned by Authorities or Commissions

| BRIDGE | OWNER | WATERWAY |
|---|---|---|
| Delaware Memorial | Delaware River and Bay Authority | Delaware River between Delaware & New Jersey |
| New Harmony | White City, Illinois Bridge Commission | Wabash River between Illinois & Indiana |
| Wabash Memorial | Indiana Toil Bridge Commission | Wabash River between Illinois & Indiana |
| Rock Island Centennial | Rock Island, Ill. Centennial Br. Commission | Mississippi R. between Illinois & Iowa |
| Matthew E. Welsh | Indiana Toll Br. Comm. | Ohio River between Indiana & Kentucky |
| Lincoln Trail | Indiana Toll Br. Comm. | Ohio River between Indiana & Kentucky |
| St. Francisville | Wayland Special Road Districts, Missouri | DeMoines River between Iowa & Missouri |
| Bellevue | City of Bellevue, NE. Bridge Commission | Missouri River between Iowa & Nebraska |
| Decatur | Burt Cty. NE. Bridge Commission | Missouri River between Iowa & Nebraska |
| Harry W. Nice Memorial | Maryland Transportation Authority | Potomac River between Maryland & Virginia |
| George Washington | Port Auth. NYNJ | Hudson River between NY & NJ |
| Bayonne | Port Auth. NYNJ | Kill Van Kull between NY & NJ |
| Goethals | Port Auth. NYNJ | Arthur Kill between NY & NJ |
| Outerbridge | Port Auth. NYNJ | Arthur Kill between NY & NJ |

B. Owned By State Departments of Transportation

| BRIDGE | OWNER | WATERWAY |
|---|---|---|
| Gateway | Iowa DOT | Mississippi River between Illinois & Iowa |
| New Lyons-Fulton | Iowa DOT | " " " " |
| Muscatine | Iowa DOT | " " " " |
| Savannah-Sabula | Iowa DOT | " " " " |
| Eagle Point | Iowa DOT | Mississippi River between Iowa & Wisconsin |

C. Owned by Municipalities or Counties

| | | |
|---|---|---|
| Chester | City of Chester, Ill. | Mississippi River between Illinois & MO. |
| Martin Luther King (Veterans Memorial) | City of East St. Louis | Mississippi River between Illinois & MO. |
| McKinley | City of Venice, Ill. | Mississippi River between Illinois & MO. |
| Platte Purchase | Platte County, Missouri | Missouri River between Kansas & Missouri |
| Parkersburg Memorial | City of Parkersburg, W. Virginia | Ohio River between Ohio & W. Virginia |
| MacArthur | City of Burlington, Iowa | Mississippi River between Illinois & Iowa |
| Keokuk Municipal | City of Keokuk Iowa | Mississippi River between Illinois & Iowa |

| BRIDGE | OWNER | WATERWAY |
|---|---|---|
| Tacony-Palmyra | Burlington Cty Bridge Commission | Delaware River between New Jersey & PA. |
| Burlington-Bristol | Burlington Cty. Bridge Commission | Delaware River between New Jersey & PA. |
| Trenton-Morrisville | Delaware River Joint Toll Bridge Comm. | Delaware River between New Jersey & PA. |
| Easton-Phillipsburg | Delaware River Joint Toll Bridge Commission | Delaware River between New Jersey & PA. |
| Portland-Columbia | " " " | " " " |
| Milford-Montague | " " " | " " " |
| Delaware Water Gap | " " " | " " " |
| New Hope-Lambertville | " " " | " " " |
| Ben Franklin | Delaware River Port Authority | Delaware River between New Jersey and PA. |
| Walt Whitman | " " " | " " " |
| Betsy Ross (Delair) | " " " | " " " |
| Commodore John Barry (Chester-Logan Township) | " " " | " " " |
| N.J. & PA. Turnpike | N.J. & PA. Turnpikes | " " " |
| Crown Point | Lake Champlain Bridge Commission | Lake Champlain between New York and Vermont |
| Rouses Point | Lake Champlain Bridge Commission | Lake Champlain between New York and Vermont |
| Hood River-White Salmon | Port of Hood River Commission | Columbia River between Oregon & Washington |
| Bridge of the Gods | Port of Cascade Locks Commission | Columbia River between Oregon & Washington |

B. Owned By State Departments of Transportation

| BRIDGE | OWNER | WATERWAY |
|---|---|---|
| Gateway | Iowa DOT | Mississippi River between Illinois & Iowa |
| New Lyons-Fulton | Iowa DOT | " " " " |
| Muscatine | Iowa DOT | " " " " |
| Savannah-Sabula | Iowa DOT | " " " " |
| Eagle Point | Iowa DOT | Mississippi River between Iowa & Wisconsin |

C. Owned by Municipalities or Counties

| | | |
|---|---|---|
| Chester | City of Chester, Ill. | Mississippi River between Illinois & MO. |
| Martin Luther King (Veterans Memorial) | City of East St. Louis | Mississippi River between Illinois & MO. |
| McKinley | City of Venice, Ill. | Mississippi River between Illinois & MO. |
| Platte Purchase | Platte County, Missouri | Missouri River between Kansas & Missouri |
| Parkersburg Memorial | City of Parkersburg, W. Virginia | Ohio River between Ohio & W. Virginia |
| MacArthur | City of Burlington, Iowa | Mississippi River between Illinois & Iowa |
| Keokuk Municipal | City of Keokuk Iowa | Mississippi River between Illinois & Iowa |

## IV. PRIVATELY-OWNED INTERSTATE BRIDGES

| BRIDGE | OWNER | WATERWAY |
|---|---|---|
| St. Francisville | Stengle Farms | Wabash River between Illinois and Indiana |
| Eads | Terminal Railroad Association, St. Louis, Missouri | Mississippi River between Illinois and Missouri |
| Plattsmouth | Plattsmouth Bridge Co., Plattsmouth, Nebraska | Missouri River between Iowa and Nebraska |
| Old Town | Charles O. Walters, Old Town, Maryland | Potomac River between Maryland and West Virginia |
| Bellaire-Benwood | Interstate Bridge Co., Bellaire, Ohio | Ohio River between Ohio and West Virginia |

## V. PUBLICLY-OWNED INTRASTATE BRIDGES

| | | |
|---|---|---|
| San Fransisco-Oakland Bay | California Toll Bridge Authority | San Fransisco Bay |
| Charter Oak | Connecticut Department of Transportation | Connecticut River |
| Susquehanna | Maryland Transportation Authority | Susquehanna River |
| South Grand Island | New York State Thruway Authority | Niagara River |
| North Grand Island | New York State Thruway Authority | Niagara River |

| BRIDGE | OWNER | WATERWAY |
|---|---|---|
| Rip Van Winkle | New York State Bridge Authority | Hudson River |
| Mid-Hudson | New York State Bridge Authority | Hudson River |
| Bear Mountain | New York State Bridge Authority | Hudson River |
| Mt. Hope | Rhode Island Turnpike and Bridge Authority | Mt. Hope Bay |
| Jordan | City of Chesapeake, Virginia | So. Br. Elizabeth River |

## VI. PRIVATELY OWNED INTRASTATE BRIDGE

| | | |
|---|---|---|
| Cedar Point Causeway | Cedar Point Bridge Co. | Sandusky Bay, Ohio |

---

American Correctional Association

4321 Hartwick Rd.
College Park, MD 20740
(301) 699-7600

STATEMENT OF

ROBERT B. LEVINSON, PH.D.

CORRECTIONS CONSULTANT

AMERICAN CORRECTIONAL ASSOCIATION

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

MARCH 22, 1984

## Correctional Industries -- A State of the Art

Correctional industries in United States prisons, whether state or federal, have been under attack for many years. In fact, the 20th century has witnessed a dramatic decline in the correctional significance of prison industries programs. At the turn of the century, 80% of the inmates in our nation's prisons were engaged in industrial operations. Today, only 10% to 15% of our nation's prisoners are engaged in productive work.

Attempts to further reduce the number of inmates working in prison industries are always present in legislative bodies, who are continuously asked on behalf of constituent industries to lessen the impact of prison industries on the public sector. Numerous studies of prison industries have been made by a variety of sponsors, including the federal government and state legislators in California, New York, and other states. Correctional administrators in Maryland, New York, South Carolina, and other states have undertaken similar reviews. Private groups in Indiana and New Jersey also have studied their state industries, and the U.S. General Accounting Office has issued two reports on prison industries and other correctional programs designed to improve inmate employablity. Nevertheless, widespread and concerted efforts to remove industries from our nation's prison have continued unabated over the last several years. This persistent onslaught serves to increase the level of violence in correctional facilities because so many inmates are unable to be employed in any capacity in a prison. The statistic cited earlier -- only 10% to 15% of all inmates are employed in prison industries -- is a national figure and at the same time a national disgrace.

Although the level of prison industries has been reduced significantly even as institutional capacities rise and overcrowding persists, several states have reduced or eliminated the barriers to the sale of industrial products made by prisoners. Whereas in 1970 almost all of the states limited the sales of prison industries products to state use, today state correctional agencies in at least 20 states allow sales to the private sector. Another recent change is the emergence of new laws calling for business-like operation of prison industries. So far 12 states have recorded this type of law, which in general has been brought about because of the tremendous pressures directed toward eliminating prison industries.

The major problem facing the correctional administrator or warden trying to operate a well-run institution is what to have inmates do during their 24 hours per day, day in and day out. As is common knowledge, the sentences imparted since 1972 have lengthened considerably. As a result, prisons throughout this United States have begun to be overcrowded by as much as 160% or 170% of capacity. With the number of inmates rising constantly and the number of jobs being decreased constantly, the amount of idleness among inmates is at absolutely catastrophic proportions. The conventional mandate for prison administrators is not only that they operate a smooth-running institution, but that they allow inmates opportunities to gain some knowledge and practical skills while they are within the institution so that they will no longer be a burden when they return to society. This is obviously a very difficult, if not impossible, mandate to fulfill if we don't provide adequate opportunities for proper job assignments in prisons. It is no surprise that the word "warehousing" has become common terminology among critics of the prison system, because it is true that we are not able to accomplish a decent attempt to "rehabilitate the inmate."

Correctional officials believe that the work experience is the most significant experience an inmate can undergo while in a prison environment. Most prisoners coming to institutions have not had full-time work, have not had steady employment, have not had the privilege of satisfying the work ethic or working a normal 8-hour job. Yet there are few meaningful jobs in today's prison environment for prisoners to do other than clean their own cell areas or housing units.

This phenomenon leads to a tremendous tendency toward featherbedding; that is, placing two or three or more inmates on a job whose successful completion really requires only one person. This practice causes a great deal of concern and anxiety not only for the prisoner but for correctional officials as well. It also leads to a great deal of idleness. Therefore, while on the one hand the public wants well-run institutions and does not want riotous conditions, on the other hand it finds it difficult to allow correctional administrators the freedom and wherewithal to employ inmates in proper work that will lead to job skills, which will lead to gainful employment upon release.

A quick review of the status of state prison industries at the current time may be enlightening. Forty-one states have prison industries in more than one institution; 11 of those states report industries programs in all of their major facilities. Of that group of 41, 28 states report that they have the same shops at more than one institution. Typically, it is the more traditional shop that exists in more than one facility within a state, e.g., furniture manufacturing (desks, shelving), printing, garment manufacturing, metalworks, and farming. Twenty-nine states have joint-institutional ventures whereby the product made at one facility is shipped to another to be used in producing the finished product. Seventeen states report having industries operations at other than their major institutions; these would include work camps and farms. The State of Florida has the highest number of shops of any state -- 53 different shops. Alaska, which has just begun prison industries operations, has the least variety — only 2. The mean number of shops for all states is 16.

In conclusion, it may be in the best interest of a free democratic society to allow the prison system to operate responsible work programs for inmates. These can aid both the inmate and the state while not jeoporadizing free enterprise. The options available to prison industries at this time are those with labor-intensive operations and those that don't require a large capital outlay to begin operations. It appears that the number of people being sent to prison over the next several years will continue unabated. We are approaching the half-million mark -- 475,000 men and women are incarcerated in our nation's prisons at this time. We may well exceed the three-quarter-million mark before 1990 -- the prison population for that year is projected to be 800,000. This projection is based on our present situation. Some people hope that the numbers will not increase as rapidly as they appear to be doing at present. If the current "get tough" attitudes against lawbreakers continue, however, the future will be as predicted.

Correctional officials need not have their hands tied while trying to operate safe and sane institutions. As previously mentioned, work is the primary rehabilitative tool for inmates that correctional administrators can use. Further, the process of developing productive work habits and skills in people who have been incarcerated must begin at the institutional level in order to be effective. The correctional administrator knows that correctional industries programs, whether operated by the public or private sector, aid correctional systems (and society at large) by eliminating idleness, by reducing the costs of imprisonment, and by providing opportunities for offenders to gain economic self-sufficiency once they are released -- and almost all people who are incarcerated will be released at some point during their lifetimes.

Another major component of the correctional administrator's goal is to have labor-intensive industries that minimize opportunities for inmates to use materials or products to create dangerous weapons. Programs such as sign-making offer an excellent means by which inmates can develop and use skills that will lead to jobs on the outside while not using potentially dangerous materials while in the prison environment. The sign-making operation is also a part of the state-use concept: both states and the federal government need the products, and prisoners should be given the opportunity to produce them, including, if necessary, the opportunity to bid within the same context that a private sector bidder might. Legislatures should allow prison industries to supply states, counties, and non-profit agencies with materials that can be produced by inmate labor.

If the concept of prison industries is removed from the prison environment, the typical prison as we know it today, where men and women between the ages of 18 and 35 are spending some of the most potentially productive and robust years of their lives, will become even more incendiary than it already is. Although corrections professionals do not plan riots, we are realistic enough to anticipate that we probably will have a riot in one state or another at some time of the year because of inmate idleness, because of lack of adequate opportunities for inmates to perform productive while they are incarcerated in an overcrowded, closed environment.

National
Gypsum
Company
Cement Division

**John M. Piecuch, President**

April 6, 1984

Senator Steve Symms
United States Senate
Chairman, Subcommittee
on Transportation
Committee on Environment and Public Works
Washington, DC 20510

Dear Senator Symms:

In response to your letter of March 26 requesting additional information regarding our testimony before the Subcommittee on Transportation, I submit the following:

1) Shown below is both the percentage of cement used in highway projects and actual tons for the period 1979 through 1982. This information was obtained from the Portland Cement Association in Skokie, Illinois (phone # 312/966-6200). The final 1983 data is not yet available, but it is expected to be higher than 1982.

| | % of Total Cement Used on Highway Projects | Actual Tons of Cement Used on Highway Projects |
|---|---|---|
| 1979 | 22% | 17,999,000 Tons |
| 1980 | 20 | 14,567,000 |
| 1981 | 20 | 14,300,000 |
| 1982 | 18.8 | 11,900,000 |

2) Our company does not market in the New England area and therefore is not in a position to comment from direct experience. We have contacted four domestic producers who do market there and they will be sending you a response to Question #2 shortly. They are Lone Star, Atlantic Cement, Glen Falls Cement and Dragon Cement (Cianbro).

**P.O. Box 887 • Southfield, Michigan 48037 • (313) 354-9050**

If you have any further questions, we would be pleased to respond. Thank you for your interest in this area.

Sincerely,

NATIONAL GYPSUM COMPANY
CEMENT DIVISION

John M Piecuch

John M. Piecuch
President

JMP/md

# Statement
# of the
# AMERICAN TRAFFIC SERVICES ASSOCIATION
# to the
# Transportation Subcommittee
# of the
# Senate Committee on Environment and Public Works

**98th Congress, Second Session**

**Chairman Steven D. Symms of Vermont**

Regarding: Two Provisions of the Surface Transportation Act of 1982 which have had an adverse effect on the traffic control industry;

Prison Industries

and

Disadvantaged Business Enterprise

Presented March 22, 1984 by

Larry Hall, Vice President
Hall Signs, Inc., Bloomington, Indiana
and President of the Sign Manufacturers Division of the
American Traffic Services Association

## Testimony of American Traffic Services Association
March 22, 1984

Mr. Chairman and members of the Subcommittee:

My name is Larry Hall. I am President of the Sign Manufacturers Division of the American Traffic Services Association (ATSA). ATSA is a national trade association, in its 15th year, representing the traffic control industry. Our member companies provide over 80% of the temporary traffic control devices and signs used on our nation's highways.

ATSA members for the most part are small family-owned businesses ranging from companies with only three employees to those employing about 60 people. We have a total of 232 member companies with offices in 424 locations in 45 states. Our members produce highway signs and other traffic control devices which are used by government agencies at all levels. The oldest company was established in 1912 and the newest company in 1981. Twenty-one of our member companies are owned by minorities or women.

We would like to present testimony today on two provisions of the Surface Transportation Assistance Act of 1982 (STAA) which have had an adverse effect on our industry; Prison Industries providing signs for Federally-aided highway projects and requirements relating to the use of Disadvantaged Business Enterprise (DBE). In the case of Prison Industries, the STAA actually helped our industry by prohibiting the use of prison made materials, but a subsequent amendment to another bill rescinded this provision.

### PRISON INDUSTRIES

We estimate that there are 215 highway sign manufacturing companies in the U.S., of which only ten are large enough to sell signs throughout the United States. The only market for highway signs is Government. Therefore, we are very concerned about the present competition of the state prison industries, and we are especially concerned over the future expansion of this industry in the area of manufacturing highway signs.

There are at present 37 states with prison industries producing highway signs.

Before the Surface Transportation Assistance Act of 1982 clarified the issue, most state prisons assumed they could produce signs for use on Federal Aid Highway projects. The STAA amended title 23 section 114b of the U.S. Code and prohibited the use of "prison made material" on Federal Aid Highways. Let me stress "on Federal Aid Highway projects." There is no mention of highway projects where no federal funds are used, which is where state prison industries already receive a majority of their sign market.

In a report, titled: "The Impact of the Prohibition Against the Use of Convict Produced Goods on Federally Subsidized Highway Construction" and in statements written to Senator Humphrey of New Hampshire, the American Correctional Association representing the state prison industry suggested that because of this provision of the STAA most state prison sign divisions would close down resulting in a tremendous loss of equipment, inventory and money to the taxpayers. Also, they reported that 774 inmates would have to be reassigned or become idle. These unfair and untrue statistics had a great influence on repealing this provision of the STAA, which was accomplished by an amendment to the Fiscal Year 1984 Commerce, State, Justice and Judiciary Appropriations Act.

by an amendment to the Fiscal Year 1984 Commerce, State, Justice and Judiciary Appropriations Act.

ATSA strongly objects to that repeal both on procedural and substantive grounds. The provision was hastily attached to a bill that was not relative to the subject matter, and it was enacted without referral to the appropriate committees with jurisdiction over highway construction, including this committee. Because of this tactical maneuver, Congress has never had a chance to fully assess the impact of the prison sign industry on the private sector.

The impact on private industry is tremendous. Based on a recent ATSA survey of all highway sign manufacturers in the U.S., we have concluded that $21 million a year and 600 jobs are lost to prison industries.

The taxes lost on $21 million and the loss of 600 jobs, in an age of high unemployment, could never be matched by the so-called "savings to taxpayers" suggested by the state prison industries. For example, 600 employees would pay about $2.4 million in federal income tax alone. Add to that state and local taxes and the corporate tax payed by the employers.

According to the Office of Management and Budget in Circular A-76, Government gets 50 cents on every profit dollar by U.S. industry. It is inconceivable to think that prison industries could generate that much profit to match 50 cents of every profit dollar provided by private industry. Therefore, how can they save the taxpayers money?

Anytime a dollar value directly or indirectly is taken away by the prison industries, it causes repercussions throughout our industry. Because of our small size and the limited market, it is like a cancer that spreads throughout the industry. The impact spreads to all companies and effects each one of them because they in return must take away from other companies to stay in business, therefore, driving the smaller companies out of business.

ATSA has estimated that state prisons will take up to 25% of the total highway sign business from our industry in 1984. This is based on the business loss in the months of January and February and the business gain in 1983 when prisons were not allowed to bid on Federal Aid Highway projects, even though many state prisons did not comply with the law.

The reason for this loss is very simple. The private sign industry cannot compete fairly with the prison industry. In our investigation we have found that very few state prison bids are based on realistic figures. Most prison bids do not take into account freight cost, inmate supervision, cost of equipment, training, building, electricity, etc. The bid is usually based on raw materials cost, and the few pennies they pay the inmates. Also, we must remember prison industries do not pay taxes, upkeep of the buildings used and other assorted niceties that the private sector must pay. These items are paid by the taxpayers of each of the states. The private sector on the other hand, must pay all of the above, therefore, their bids are based on realistic figures.

Because the American Correction Association report has had such an impact on changing these provisions of STAA, we feel compelled to make some comments on their information.

In their report they clouded the issue by inferring that prison sign shops in 37 states would be required to completely close down. They used statistics from the state correctional centers which included total idle capital cost, inventory cost, other cost, and the number of inmates which would have to be reassigned. These figures are found on page 1 of their report. The numbers obviously assume a total shutdown of the sign manufacturing facility which, of course, is not true since a majority of the signs produced by state prisons are used on projects where no federal funds are involved. In fact many state statutes mandate that state agencies purchase signs from prison industries.

We would suggest that you also take a close look at the comments on the ACA survey by the State Departments of Corrections. They obviously gave figures assuming a complete shutdown making the totals very inaccurate and misleading.

Also, these figures assume that the entire capital and inventory investment would be lost. Are we to assume that if the prison sign shops were to close down they would take all of their equipment and supplies and throw them in the trash? Notice in the ACA survey, Iowa, one of the largest prison sign shops, at least reported that their idle equipment would be used elsewhere and the inventory would be sold.

As a comparison, we surveyed three sign manufacturing companies which are the same in size as three of the state correctional centers. These companies estimated they will lose about 25% of their business to prison industries. This business loss would result in the indicated capital, inventory and labor loss. Given this information the comparison is shown on Figure 1, Pages 6 and 7.

Figure 1

| STATE | IDLE CAPITAL COST | INVENTORY COST | OTHER COST | HOW MANY INMATES EMPLOYED | | COMMENTS |
|---|---|---|---|---|---|---|
| | | | | Now | Will have to be Reassigned | |
| IN | $389,865 | $1,862,080 | $ 72,000 | 45 | 45 | The Department of Correction generates revenues from the activities of the sign shop. The average sales for the last two fiscal years was $1,147,742. These funds have served to finance other occupations for inmates within the institutions which would not have been available otherwise. The closing of the sign shop will inevitably increase pressure and tension within the institution as the number of occupations available for the ever increasing number of inmates will be reduced.<br>*Figures represent beginning inventory for FY82 and seven months' activities for FY83. |
| KS | 561,000 | 603,000 | 154,000<br>Lost profit | 40 | 40 | These figures assume that the legislation would curtail all sale of road signs, etc. to the DOT. There is a contention by the DOT officials that this would not affect the purchase of signs from Kansas Prison Industries as the signs, etc. are being placed on projects financed by state dollars, not federal. Thus, the ultimate impact could be minimal or as cited. |
| MI | 114,300<br>14,500 sq ft building | [illegible]50,000<br>(average) | 600,000<br>Lost sales | 25 | 20 | Michigan has a very active sign shop which generates over $650,000 in sales each year, of which approximately 90% is signs for the DOT. |

Figure 1 (Continued)

| COMPANY/ STATE | IDLE CAPITAL COST | INVENTORY COST | OTHER COST | HOW MANY EMPLOYEES | | COMMENTS |
|---|---|---|---|---|---|---|
| | | | | SIGNS | LOSS OF JOB | |
| Lyle Signs<br>Minnesota | $11,500 | 0 | 0 | 45 | 9 | 25% - 35% loss of federal-aid money to prison industries $1.5 to $3 million sales |
| Superior Mfg<br>Mississippi | 8,500 | 0 | 0 | 40 | 8 | 25% of federal aid business lost to prison industries, $200,000 lost profit per year |
| Hall Signs<br>Indiana | 10,000 | 0 | 0 | 24 | 10 | *25% - 35% total business lost to prison industries; $1.3 to $3 million total sales; $750,000 profit on $3 million |

*Over 50% of total business is with Federal-aid projects all over U.S.

As you can see by Figure 1, the three businesses with basically the same amount of employees as the correctional centers have much lower figures in all categories.

Other comments of state correctional institutions responding to the ACA survey are very interesting. Many states admitted they generated a lot of total sales and feared the possible long term influence of the law, rather than the law itself.

These inflated figures by the American Correction Association were used to mislead Congress into rescinding the STAA. If I may quote Senator Humphrey of New Hampshire on the floor of the U.S. Senate on October 21, 1983.

> "Mr. President, the amendment I am introducing today would remove the limitation on the use of materials produced by prison labor in construction of Federal-aid highways. An amendment prohibiting the utilization of convict-produced materials was hastily attached to the Surface Transportation Act of 1982 in the closing hours of the 97th Congress without fully assessing the provision's impact. As a result, a 30-year old prison industry that had been operating succesfully in 37 states has been effectively shut down.
>
> Earlier this year, the American Correctional Association queried State directors of corrections regarding the impact of this amendment on prison industries nationwide. The ACA study concludes that in all 50 States combined the amendment would result in first, idle capital costs of $7,979,957; second,

inventory loss of $10,661,618; third, other costs of $3,773,444; and fourth, the need to reassessing 774 inmates out of the 976 inmates currently employed in the industry."

We would point out that it is virtually impossible to find out the profit earned by these state correctional centers--mainly, because they really do not know themselves. We can, however, supply this committee information on individual highway sign companies as to their loss of profit and what that would mean to the federal and state governments and the local communities if the state prison industries are not better regulated and checked.

Because of the seriousness of the situation to our industry, ATSA would like to make our positions very clear.

1) **It is fundamentally wrong for government at any level to be in competition with private enterprise** if the private sector is capable of producing the needed product or service, however, our organization because of our intense investigation has come to understand the real and underlying problems of the state correctional centers, and it is our responsibility as caring Americans to try and solve this dilemma to the satisfaction of both the prison and private industries.

2) **The highway sign industry is the only industry at the present time affected by the rescission of the STAA provision.** We are a very small industry made up of small

businesses located in the roots of middle class America, employing law-abiding citizens who are taxpayers, voters and the backbone of our democracy.

3) **The manufacture of signs is not labor intensive, therefore, it does not provide meaningful training for inmates.** In a survey of our members, ATSA could find not one ex-inmate currently working in the manufacture of highway signs in the private sector. Therefore, we suggest that prison industries provide training of inmates in areas or trade, that are more labor intensive, so when inmates are released as productive citizens they would have a better chance to take their newly learned skills into the working market.

4) **Twenty five percent of our industry's business is lost to prison industries.** This is an unfair percentage and hurting an industry that should remain healthy.

5) **The state prison sign industry is expanding rapidly, taking more and more business from the private sector.** In 1979 there were 27 states in the highway sign business. At the end of 1983 there were 37 states producing signs. By the end of 1984 four more states are planning to add sign manufacturing facilities. This is a 52% increase in the number of prison sign shops in the past five

years. The annual sales of prison sign shops have increased 20% each year. A total of 41 states will be making highway signs by the end of 1984, competing with an industry that only has 215 small businesses of their own. If the Prison Industries continue at this rate there will not be a market for privately-owned sign manufacturers.

Prison Industries total sign sales in 79 = $ 9,157,769[1]
Prison Industries total sign sales in 82 = $15,900,000[2]
Prison Industries total sign sales in 83 = $19,080,000[3]

Our industry has only 10 companies large enough to sell highway signs throughout the United States. The remaining 200 plus companies sell within their own state or region. The state prison industries also have large correctional center that compete directly with these 10 companies. They are Iowa, Georgia, Texas, New York, North Carolina, Ohio, Utah, Indiana, Illinois and Kansas. These prison centers compete on bids, send salesmen out to solicit business and send catalogs advertising their signs.

6) **The private sector cannot compete fairly with prison industries** even on state highway projects, but at least by not allowing prison made materials on Federal-aid highway projects it allows the private sector a decent chance.

---

[1] Based on figures found in American Correctional Association Industries Directory, 1980.

[2] Based on information from the Department of Commerce, 1983.

[3] Based on 20% increase per year.

Mr. Chairman, Congressmen, the bottom line is where will it end? As the law stands now, the potential of the prison industries is tremendous. They can expand into all areas of the traffic control industry. By rescinding the STAA provision, you have given the green light to prison industries to go full steam ahead. Indeed, many state prison sign shops are already expanding.

If you were to combine all the present prison industries in the 37 states, you would have a very "Big Business" enterprise.

This provision of the STAA only applies to federally-aided highway projects. Our research indicates that the majority of the signs made by state prison industries go to projects with no federal funding. Many of the states responding to the ACA survey admitted that the provision would have very little effect on their sign operation.

### ATSA Recommends the Following

1. An outright repeal of the provision added to the Fiscal Year 1984 Commerce, State, Justice and Judiciary Appropriations Act, concerning "convict made materials" and a return to the principle of not using prison made materials on federally aided highways.
2. A complete study of the federal legislative and regulative prohibitions against the highway sign industry, and how "convict labor," is used in direct competition with the private sector.

3. The Committee on Public Works and Transportation of the U.S. Congress hold public hearings on the impact of this legislation on private industry.
4. ATSA challenges the state correctional centers to prove they save the taxpayer dollars under their present system, and we feel they should make themselves accountable to the people in the same manner as private industry.

I might point out that recommendations 2 and 3 are almost identical to those made by the American Correctional Association. At least we both agree that there needs to be a full investigation of the subject.

## DISADVANTAGED BUSINESS ENTERPRISE (DBE)

Next, we would like to present testimony regarding Section 105(f) of STAA which provides a preference for disadvantaged business.

Following the passage of STAA, in July 1983 the Department of Transportation (DOT) promulgated extensive regulations implementing Section 105(f). These regulations built on existing regulations adopted by DOT in March of 1980 (49 CFR Part 23).

We have found that the implementation of this DBE program has had a tremendous disproportionate effect on the small non-minority specialty contractor, particulary non-minority ATSA members who provide traffic control equipment and services for highway projects. As a matter of fact, in some states non-minority companies have been virtually foreclosed from bidding on projects involving federal funds because almost all traffic control service contracts have been awarded to disadvantaged businesses. This is often the result of the refusal by prime contractors to consider quotes from non-minority traffic control service companies because of the requirements imposed by state-recipients of federal funds on such contractors to allocate a certain percentage of the bid to DBE's.

Because of the complaints by our members, ATSA has made an extensive study of the effect of these regulations on the temporary traffic control industry. Our research has indicated that in some states non-minority companies are being completely driven out of business, and in all states there is a tremendous potential for adverse effect on our industry. We are sure that it was never the intent of this law and these regulations to have such a severe effect on particular segments of the highway construction industry, nor to force non-minority companies out of business. For that reason, we are suggesting that Congress consider changes to the law which will preclude one industry bearing the major brunt of helping minorities and disadvantaged businesses.

Let me give you a couple of examples of the effect this has had on our industry:

In the state of Indiana virtually all of the subcontracts for traffic control have been awarded to MBE companies. According to the statistics developed by the Indiana Constructors Association, about 3% of the total highway contracts dollar amount is for traffic control. Based on figures submitted monthly by Indiana to FHWA in the five months ending November 1983 (the latest available when we compiled these figures) there were $9,727,466 awarded to MBE companies of which $3,461,545 were for traffic control. That means 36% of the total MBE awards were in one very small specialized industry.

In the fourth quarter of fiscal year 1983, just seven minority traffic service companies were awarded 71 contracts totaling $2,455,611. Compare that with the first quarter of [illegible] just three of these same companies (the others didn't even exist at that time) were awarded 11 contracts totaling $864,173. And you can see what is happening. Even in that first quarter, just one of those three companies got 89% of that work.

Right now in Indiana the non-minority traffic service companies are either virtually out of business with regard to state contracts, or they have made "arrangements" with minority companies.

In another state, Colorado, we have seen a slightly different phenomenon taking place. Colorado has over the past couple of years set quite high goals for women-owned businesses (WBE), and we have seen a large number of women-owned companies getting into the traffic control business. In the 14-month period ending in November 1983, $2,870,396 were reported awarded to WBE companies of which $1,566,123 or 55% was for traffic control.

However, since the enactment of the DBE provisions of STAA, which do not cover WBE's, there has been a change in Colorado. In November of 1983 absolutely no contracts at all were awarded to WBE companies and $718,327 were awarded to MBE's, of that $294,006 or 41% was in the area of traffic control.

We feel that there are a couple of reasons why such a disproportionately heavy burden for implementing these provisions is being borne by the traffic services industry.

First of all, traffic control is a portion of the highway contract that is, almost always subcontracted to a specialty company. The prime contractors very seldom do their own traffic control work because it requires specialized skills and equipment. For that reason, it is very easy to use this portion of the work to meet a large percentage of the MBE goals on particular projects.

Secondly, unlike those areas of the construction industry such as paving, bridge building, etc. where there are few disadvantaged businesses due to the high capitalization requirements for entry, disadvantaged businesses can more easily enter such areas as traffic control services. Quoting from a report of the National Construction Industry Council (NCIC) entitled, "Cost and Impact of Minority Business Enterprise Goals and Quotas in the Construction Industry":

> "Because the overwhelming number of MBE firms exist in those areas where initial capitalization requirements are low.....efforts by states to meet MBE program quotas result in the award of a disproportionate number of construction contracts to firms operating in these areas because there are not enough qualifited MBE firms available to meet the

demand for other types of construction work. This, in turn, works an unfair hardship on existing firms which engage in those same fields of endeavor."

As a result of these regulations, we are seeing another phenomenon take place. The formation of many "sham" companies in the traffic control industry. Some of these companies are technically operating within the letter of the law but are obviously being set up just to take advantage of the MBE requirements. Some are legitimate minority-owned companies who, up until recently, have had absolutely no traffic control experience. Many of them get awarded the traffic control subcontract and then lease the equipment or even labor from a non-minority company. I know that there are provisions in the regulations for challenging such operations, but this is very difficult to do in practice.

To sum up ATSA's position we would like to reiterate the following points:

1. **A program to assist disadvantaged American citizens who want to contribute and develop under our free enterprise system is good.** However, it must be regulated as not to put out of business those companies and citizens who have contributed to the growth of the industry and hence to the growth of our free enterprise system.

2. **A serious adverse effect on small businessmen in certain specialized industries** is a result of the way 105(f) is being administered by FHWA and the states. This includes not only our traffic control industry but small companies who do seeding, guardrail erection, hauling, etc.

3. **As the regulations are now promulgated, there doesn't seem to be an end in sight.** If there is a need to help small minority-owned businesses to compete successfully in the free enterprise system, then that should be accomplished through training, education and capital funding assistance.

   In our industry at least we don't see small minority businesses being really helped by this legislation. Very often, relatively large minority-owned companies who have already been competing on an equal basis for many years are being given a windfall. There must be a system established that will help minority-owned companies compete more effectively and equally in the free enterprise system. I think I can speak for our industry as to our willingness to help MBE's get the training and experience they need to compete on an equal basis. However, there has to be a point where they are allowed to compete equally.

4. **We are being asked as an industry to bear an undue burden of implementing this law.** Provision must be made for assuring that any particular industry or any individual small non-minority company is not driven out of business because of these regulations.

Over the past few months, we have been working very diligently with the Federal Highway Administration, the state highway departments and national and state contractor groups to develop ways to preserve our industry. Today, the American Traffic Services Association would like to make the following recommendations to this committee:

1. That the Department of Transportation be directed to investigate in depth the effect of these MBE provisions on small non-minority specialty contracting companies, particularly in the traffic control industry.
2. That the appropriate congressional committees in both the House and Senate hold additional hearings on this particular problem of fairly implementing the MBE provisions of STAA.
3. That legislation be drafted which will preclude any specific industry from being forced to bear the major burden of implementing this law.

4. That the Department of Transportation work closely with private industry organizations like ATSA to develop and fund training programs for minority businesses to help them compete within the free enterprise system on an equal basis.
5. That legislation be drafted which will set a time limit on how long this preferential treatment for minority firms will continue. Of course the STAA is a four-year bill, but we all know that provisions like this have a habit of being continued on and on in subsequent legislation.

Before the Senate Subcommittee on Transportation
of the Senate Committee on Environment and Public Works
Washington, D.C.

# THE PROPOSED PELLISSIPPI PARKWAY EXTENSION
# IN KNOX AND BLOUNT COUNTY, TENNESSEE
## Facts and Potential Economic, Social and Environmental Impacts

Statement of Samuel G. Patterson, President
Citizens Against The Pellissippi Parkway Extension
Knoxville, Tennessee

March 22, 1984

Mr. Chairman and Members of the Subcommittee, my name is Samuel Patterson. Acccmpanying me are Michael Maschmeyer and Michael Y. Rowland. We represent Citizens Against the Pellissippi Parkway Extension (CAPPE), an organization of over 700 families from Knox and Blount Counties in East Tennessee.

CAPPE has retained and is being advised by nationally recognized experts who have carefully reviewed the State's proposals for extending the Pellissippi Parkway and the potential damages which will be created by this project. It is our considered opinion that this proposed highway has been inadequately studied, is unjustified, and has all the makings of a colossal environmental and economic disaster, and for these reasons it should not be built.

The project would basically provide a shortcut connecting points on perpendicular highways in Knox and Blount Counties, essentially forming a triangle. The new leg would save eight or nine minutes of travel time between these points. The transportation benefits are minimal given the costs.

The Pellissippi Parkway Extension is currently under study by the Tennessee Department of Transportation and the Federal Highway Administration, which has allocated over one million dollars to the State for this study. The State is preparing a draft Environmental Impact Statement (EIS). If acceptable to the Federal Highway Administation, the State plans a final EIS on this project by late spring 1985. After the EIS is complete this project would compete for funding along with other highway projects.

We are here today because we understand the State is soliciting the Congress to shortcut the normal funding process to obtain $130 million to build the Pellissippi Parkway Extension to "demonstrate the latest techniques in environmental engineering."

We first became aware of this effort as a result of State Transportation Commissioner Farris' statement to the Knoxville Journal that he was seeking special federal funds to build this road as an environmentally sound demonstration project because this road unlike other highway projects, involves unique problems of caves, rock formations, and underground water supplies in the residential area. "We've got to make sure we're not disrupting the entire pattern of drainage in West Knox County or the aquifer that lies under it," he is quoted as having said.

The State is claiming that this project is crucial to the success of the proposed Tennessee Technology Corridor in Knox County between Oak Ridge and Interstate 40. However, the Knoxville/Knox County Metropolitan Planning Commission hired by the State Department of Transportation to evaluate the project has stated: "[T]he success of the Technology Corridor does not depend upon the completion of a Pellissippi Parkway Extension."

The State has long been aware of these problems. In March 1982, State Transportation Department Geologist Harry Moore submitted a preliminary geological report on the project:

> The unstable foundation conditions usually result in roadway collapses involving the driving surface, ditchlines and in some instances roadway structures. The groundwater fluctuations very often result in flood conditions and pose threats of groundwater contamination. Flooding conditions affect traffic, highway embankment stability, and adjoining private property. Run-off from the roadway poses great potential for groundwater contamination in areas where the water table is so closely connected to the surface environment. It is recommended that these nine geographic areas of instability be avoided by the proposed alignment of the Pellissippi Parkway Extension.

All of the proposed routes pass through these unstable areas.

Despite that the State has long been aware of these problems and is now seeking special federal funds for construction, we inspected Tennessee Department of Transportation files in late February 1984 under the Tennessee Open Records Law, and discovered that there were no documents which dealt with any of these significant problems. We have no idea how the State proposes to resolve these problems.

Based on the information provided us by our consultants, Dr. Barry Beck, Director of Sinkhole Research Institute, University of Central Florida; Dr. Nick Crawford, Center for Cave and Karst Studies, Western Kentucky University; Dr. Hsiang-te Kung, Geographer/Hydrologist, Memphis State University; Sammie Lee, Civil Engineer, Louisville, Kentucky; and Dr. Frank Davis, Professor of Transportation, University of Tennessee, we do not think these problems can be solved.

They have told us the same thing the State geologist reported. These are not ordinary problems with available engineering fixes. Construction and blasting from a major highway would likely result in flooding in numerous residential areas in the Ten Mile Creek drainage basins, sinkhole activity in residential areas from disrupted drainage patterns and permanently altered water tables, and in silted and contaminated wells upon which a substantial number of families in West Knox County depend for drinking water.

The problems associated with this project are enormous. West Knox County is the beginning of the foothills for the Smoky Mountains. It is characterized by six large ridges that cross the county from east to west. The proposed routes will cut through these ridges north to south taking as much as 80 feet off the top of the ridges and filling the valleys with as much as 50 feet of fill. The destruction of the topography will make a great scar across the community and split residential areas in half.

As the State has recognized, the project is proposed to cross unstable karst (limestone) formations. These areas are honeycombed with caves and underground streams and are characterized with problems related to flooding, sinkholes, and ground water contamination. Major highway construction with significant blasting would disrupt drainage patterns and destroy the karst formations.

David Royster, an Engineering Administrator with the Tennessee Department of Transportation, recently presented a paper on karst problems to the 63rd Annual Transportation Research Board Meeting in January 1984. In discussing these problems, he noted:

> . . . If the "public good" is to be served, all levels of government must put politics and special interests aside and make the hard decisions that so often are associated with land use questions, especially where geologic hazards are involved.
>
> . . . Sinkholes have long been used for drainage in the design and construction of highways. Decisions for their use, however, seem to be based more on expediency than on engineering and scientific analysis and planning. Furthermore, little attention is paid to the long-term effects of such practices, especially in areas of continuing residential or commercial development.
>
> . . . There are times when total restriction on development is the only answer to collapse or flooding problems.
>
> . . . There are simply too many unknowns and too many factors that must be left to chance for this to be offered as the ultimate corrective measure in this type of situation. It is one thing to utilize a sinkhole for drainage in a small, relatively isolated, undeveloped area, but quite another in a large highly developed area, especially when there is an already existing flooding problem.

We believe that the potential damage that would be caused by the construction of this interstate style four-lane highway far outweighs the presumed benefit of shortening by a few minutes travel time from I-40 in West Knox County to Alcoa Highway in Blount County.

In conclusion, we do not believe the problems we have outlined can be satisfactorily solved in a "demonstration project" using "the latest techniques in environmental engineering," in Commissioner Farris' words, particularly in view of the requirements of the National Environmental Policy Act (NEPA). In short, this highway is neither necessary nor feasible and should not be built.

We are providing you with a bound information booklet and maps that present these problems in detail and ask that it be made part of the official record of this hearing before the Committee. We will be glad to answer any questions you might have.

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

MAR 27 1984

MAR 29 [illegible]
OFFICE OF
SENATOR
PETE V. DOMENICI
WASHINGTON, D.C.

The Honorable Pete V. Domenici
United States Senate
Washington, D.C. 20510

Dear Pete:

On March 5, Federal Highway Administrator Ray Barnhart sent a report to the Senate Committee on Appropriations on the Waste Isolation Pilot Project Roads Program in New Mexico. I am enclosing a reference copy of the report, which contains plans for obligating the appropriation, total mileage and cost for roads mentioned in the Department of Energy/New Mexico agreement, and a funding schedule.

I know how important this vital system is. I therefore want to let you know we will continue supporting the project and will work closely with you to secure needed funds. I look forward to working with you on this project.

I hope this information is helpful.

Sincerely,

Elizabeth

Elizabeth Hanford Dole

Enclosure

# A REPORT TO THE
# SENATE COMMITTEE ON APPROPRIATIONS
# ON THE
# WASTE ISOLATION PILOT PROJECT ROADS
# IN NEW MEXICO

PREPARED BY THE FEDERAL HIGHWAY ADMINISTRATION PURSUANT TO
THE COMMITTEE'S JULY 14, 1983, REPORT (NO. 98-179)
WHICH ACCOMPANIED H.R. 3329,
THE DEPARTMENT OF TRANSPORTATION AND
RELATED AGENCIES APPROPRIATION BILL, 1984
LATER ENACTED WITH AMENDMENTS
AS PUBLIC LAW 98-74

JANUARY 1984

## Introduction

The Waste Isolation Pilot Project (WIPP) is a $2.1 billion facility for the disposal of low-level transuranic nuclear wastes generated as part of the atomic energy defense activity of the Department of Energy (DOE). The project was authorized by Congress in 1979 (Public Law 96-164).

Subsequent to authorization of the project, the State of New Mexico expressed concern regarding the off-site impacts of the WIPP. One of their concerns was that portions of the State highways which had been identified as probable transportation routes for WIPP shipments, were presently unsafe and substandard. To resolve these off-site concerns, New Mexico and DOE entered into a stipulated agreement which is overseen by the U.S. District Court. Part of that agreement addressed the upgrading of the existing highways that would serve as transportation routes for waste shipments to the site.

In 1983 Congress also took actions to assure that the conditions of the stipulated agreement could be met. The Appropriation Act for the Department of Transportation (DOT) for fiscal year 1984 (Public Law 98-74) authorized a general fund appropriation of $5.8 million for planning and design activities for roads connected with the proposed WIPP. Congress indicated that this appropriation was necessary since the terms of the stipulated agreement could not be met through existing DOT programs. The Act provides that these funds are to be made available only when the DOE commences work on the WIPP and will remain available until expended.

The Senate Committee on Appropriations' Report on the bill (S. Rept. 98-179) also directed the Federal Highway Administration ". . . to report to the Committee by February 1, 1984, on plans for obligation of the $5.8 million, total mileage and cost for repair and upgrading of roads mentioned in the stipulated agreement and a yearly funding schedule for such repairs." This report will address each of these points.

## I. Plans for Obligating the $5.8 Million Appropriation

The 1984 appropriation act stipulated that the $5.8 million was to be used for necessary expenses incurred in connection with planning and design activities associated with upgrading the WIPP shipment routes. The committee report further indicated that these improvements were to be on routes specified in the stipulated agreement. Section 3E(2)(b) of the supplemental stipulated agreement 81-0363 of the U.S. District Court for the District of New Mexico, describes those portions of highways which New Mexico considers in greatest need for repair along the designated WIPP transportation routes. They appeared in the stipulated agreement listed in priority order as follows:

1. U.S. Highway 285 (FAP-023-3) from its junction with U.S. Highway 70 north of Roswell to junction with U.S. Highway 60 at Vaughn for a distance of 89.4 miles.

2. U.S. Highway 60-285 (FAP-027-1) from Encino toward Vaughn for a distance of 9.2 miles.

3. U.S. Highway 285 (FAP-050-1) from Torrance/San Miguel County line north and from White Lakes north for a distance of 19.8 miles.

4. U.S. Highway 60-285 (FAP-023-1) between Carlsbad and Loving for widening and resurfacing of 7.4 miles and for resurfacing of 9.1 miles.

5. New Mexico Highway 4 (FAP-054-1) from Pojoaque to the Rio Grande Bridge for a distance of 8.1 miles.

6. U.S. Highway 54 (FAP-20-3) from its junction with U.S. Highway 60 at Vaughn to a junction with New Mexico Highway 219 at Pastura for a distance of 32.2 miles.

7. U.S. Highway 62/180 (FAP-022-2) east of Carlsbad and three sections of U.S. Highway 285 (FAP-023-1) between Carlsbad and Roswell for a distance of 30.7 miles.

The $5.8 million will be used by the New Mexico State Highway Department to perform the preliminary engineering activities (i.e. planning and design) required to prepare all of these projects for contract. The State intends to begin these activities this fiscal year and complete them by the end of fiscal year 1985. The projects identified as the highest priority in the stipulated agreement will also receive correspondingly high priority for design and planning. (These priorities also correspond to the funding schedule identified in the following section.) The State's highest priority is to complete all the preliminary engineering activities for those projects which they hope to construct in FY 1985. Depending on the availability of State design staff, the State may consider using consultants to perform these activities.

The $5.8 million represents 10 percent of the original $57.9 million estimate for constructing the repairs identified in the stipulated agreement. This appropriation should be sufficient to complete all the work necessary to prepare these projects for construction contract.

Finally, the 1984 appropriation act specified that the $5.8 million could become available when construction of the WIPP commences. The DOE indicated its intent to proceed with construction in a July 1, 1983, announcement in the Federal Register and has since awarded key contracts for the WIPP. Therefore, the statutory condition for the release of these funds has been met.

## II. Total Mileage and Cost for Repair and Upgrading of Roads Mentioned in the Stipulated Agreement and a Yearly Funding Schedule

The previous section identified those segments of highways identified in the stipulated agreement as needing repair. The total length of these segments is 205.9 miles.

The stipulated agreement also estimated a cost for constructing these improvements. The estimated cost, which did not include the cost of designing and planning these improvements, was $57,886,544. These estimates were derived using an average per-mile cost to either resurface or rehabilitate the highway. Aside from an arithmetic error which was identified, the basis for this estimate is reasonable. Table 1 shows the revised estimated cost of completing this work which totals $57,986,000. The actual cost of construction, however, may vary as final contract plans are developed; any necessary adjustments to the future funding schedule should be made as these plans are developed.

Also, this estimate was based on 1982 construction prices. As the stipulated agreement notes in section (f), Funding Amount Adjustments:

> "The parties recognize that the level of funding for the commitments set forth herein are based on 1982 dollars and the parties further recognize that the stated amounts herein will be adjusted for inflation at the time payment is made. All such commitments for funding are subject to the availability of appropriated funds."

The Federal Highway Administration monitors changes in the bid prices for highway construction in order to adjust estimates of highway costs for the effects of such changes. Through this monitoring, the administation has developed a bid price index which is based on a national average of those costs during a given period. The bid price index for calendar year 1982 was 146.8. The bid price index for 1983, is 146.5. The differences between 1982 and 1983 are not significant enough to warrant any change.

With the $5.8 million available for planning and design, the State feels it will be prepared to begin construction in the coming fiscal year, 1985. Construction would continue for 4 years through fiscal year 1988 at a total estimated cost (in 1983 dollars) of $57,986,000. The yearly funding schedule for the improvements is shown on Table 1. The highway segments listed were all identified in the stipulated agreement. Table 1 also indicates whether the work to be accomplished is simply pavement overlays (Type 1) or if it consists of rehabilitation work (normally referred to as 3R-type work) including widening of the roadway shoulder (Type 2). Finally, figure 1 is a map of New Mexico showing the locations of the proposed improvements.

Conclusions:

The Federal Highway Administration believes that the estimates and schedules contained in the foregoing report are reasonable and they can be used for establishing future funding needs. The routes identified are those which will carry traffic to and from the WIPP installation and initial financing of their planning, design and construction will be out of the $5,800,000 specified by the 1984 appropriations act.

In light of the preceding text, this report satisfies the reporting requirement as stipulated in the Senate Committee on Appropriations Report on the bill.

## TABLE 1

## Funding Schedule for the Waste Isolation Pilot Project (WIPP) Roads for

### FISCAL YEAR 1985

Location: Improvements to US 285 from its junction with US 70 north of Roswell to the De Baca/Lincoln County line

| US/State Road No. | Mile Point | Length (Miles) | Number of Lanes | Type of Work* | Estimated Cost ($000) |
|---|---|---|---|---|---|
| US 285 | 114.6 | 10.7 | 2 | 2 | 3,210 |
| US 285 | 125.3 | 10.2 | 2 | 2 | 3,060 |
| US 285 | 135.5 | 10.6 | 2 | 2 | 3,180 |
| US 285 | 146.1 | 6.4 | 2 | 1 | 800 |
| US 285 | 152.5 | 9.9 | 2 | 2 | 2,970 |
| US 285 | 162.4 | 10.6 | 2 | 2 | 3,180 |
| | Total | 58.4 Miles | | | $16,400 |

### FISCAL YEAR 1986

Location: Improvements to US 285 from the De Baca/Lincoln County line to its junction with US 60 in Vaughn. Improvements to US 60/285 from Guadalupe/Torrance County line to Encino. Improvements to US 285 from the Torrance/San Miguel County line to the San Miguel/Sante Fe County line and from 7.6 miles north of the San Miguel/Santa Fe County line northerly for 9.6 miles.

| US/State Road No. | Mile Point | Length (Miles) | Number of Lanes | Type of Work* | Estimated Cost ($000) |
|---|---|---|---|---|---|
| US 285 | 173.0 | 10.1 | 2 | 2 | 3,030 |
| US 285 | 183.1 | 9.3 | 2 | 2 | 2,790 |
| US 285 | 192.4 | 11.6 | 2 | 2 | 3,480 |
| US60/285 | 89.2 | 9.2 | 2 | 2 | 2,760 |
| US 285 | 29.3 | 4.4 | 2 | 2 | 1,320 |
| US 285 | 41.3 | 9.6 | 2 | 2 | 2,880 |
| | Total | 54.2 Miles | | | $16,260 |

*Type of Work:
(1) Pavement Overlays.
(2) 3R-Type work including widening of the roadway shoulder.

TABLE 1 (Continued)

FISCAL YEAR 1987

Location: Improvements to US 285 from 17.2 miles north of the San Miguel/ Sante Fe County line northerly for 5.8 miles, and improvements to US 285 between Loving and Carlsbad. Improvements to NM 4 from Pojoaque westerly to the Rio Grande Bridge. Improvements to US 54 from its junction with US 60 in Vaughn to 12.9 miles southwest of its junction with NM 219 at Pastura.

| US/State Road No. | Mile Point | Length (Miles) | Number of Lanes | Type of Work* | Estimated Cost ($000) |
|---|---|---|---|---|---|
| US 285 | 50.9 | 5.8 | 2 | 2 | 1,740 |
| US 285 | 21.5 | 1.7 | 2 | 1 | 259 |
| US 285 | 23.2 | 7.4 | 2(NB) | 2 | 2,710 |
| US 285 | 23.2 | 7.4 | 2(SB) | 1 | 1,127 |
| NM 4 | 10.4 | 8.1 | 2 | 2 | 2,430 |
| US 54 | 201.5 | 9.5 | 2 | 2 | 2,850 |
| US 54 | 211.0 | 9.8 | 2 | 2 | 2,940 |
| | Total | 49.7 Miles | | | $14,056 |

FISCAL YEAR 1988

Location: Improvements to US 54 from a point 12.9 miles southwest of its junction with NM 219 to that junction in Pastura. Improvements to US 62/180 east of Carlsbad and three sections on US 285 between Roswell and Carlsbad.

| US/State Road No. | Mile Point | Length (Miles) | Number of Lanes | Type of Work* | Estimated Cost ($000) |
|---|---|---|---|---|---|
| US 54 | 220.8 | 12.9 | 2 | 2 | 3,870 |
| US 62/180 | 34.0 | 7.7 | 4 | 1 | 1,925 |
| US 62/180 | 41.8 | 6.9 | 4 | 1 | 1,725 |
| US 62/180 | 48.7 | 6.4 | 4 | 1 | 1,600 |
| US 285 | 54.9 | 3.7 | 4(NB) | 1 | 925 |
| US 285 | 64.1 | 3.8 | 4(NB) | 1 | 950 |
| US 285 | 101.9 | 2.2 | 2 | 1 | 275 |
| | Total | 43.6 Miles | | | $11,270 |

| | | | |
|---|---|---|---|
| GRAND TOTAL | | 205.9 Miles | $57,986 |

*Type of Work:
(1) Pavement Overlays.
(2) 3R-Type work including widening of the roadway shoulder.

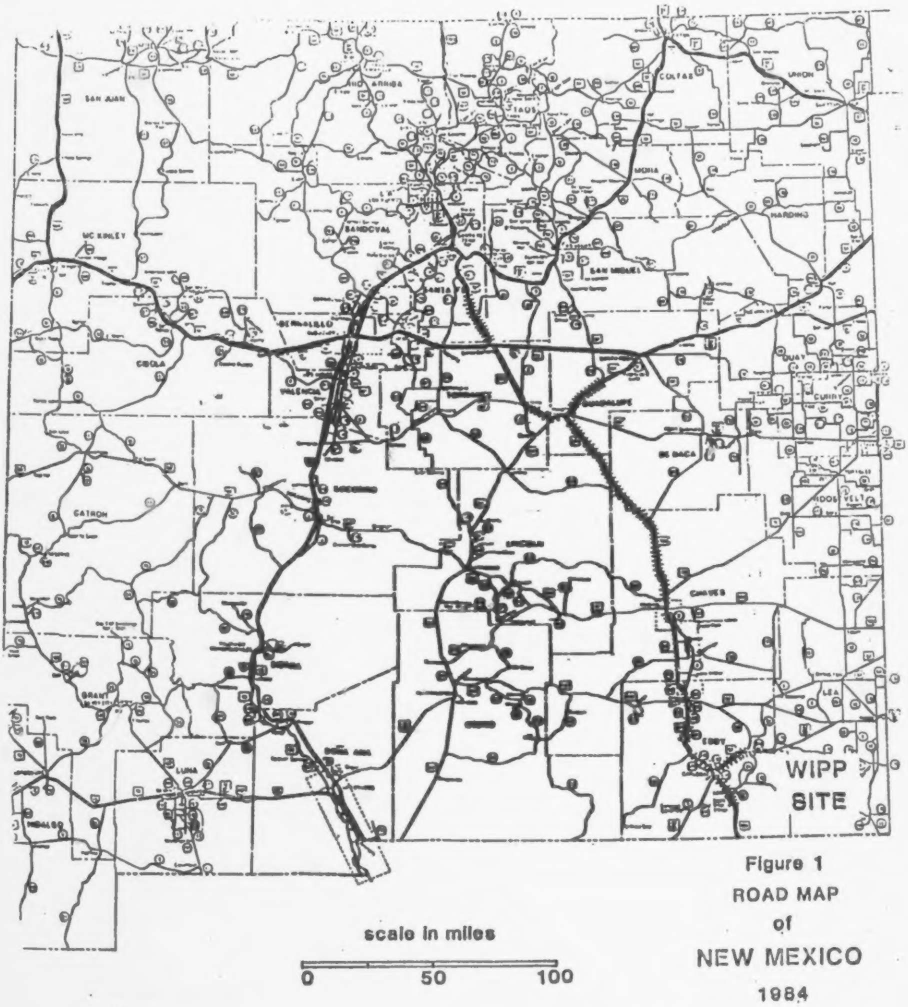

SAN JUAN
RIO ARRIBA
TAOS
COLFAX
UNION
MORA
HARDING
MC KINLEY
SANDOVAL
SANTA FE
SAN MIGUEL
BERNALILLO
CIBOLA
VALENCIA
GUADALUPE
QUAY
CURRY
DE BACA
ROOSEVELT
CATRON
SOCORRO
LINCOLN
CHAVES
SIERRA
GRANT
LUNA
DONA ANA
OTERO
EDDY
LEA
HIDALGO
WIPP SITE
scale in miles
0
50
100

Figure 1
ROAD MAP
of
NEW MEXICO
1984

TRUCK TRANSPORTATION ROUTES FOR WIPP SHIPMENTS

SECTIONS REQUIRING IMPROVEMENTS AS INDICATED IN THE STIPULATED AGREEMENT

FEB 3

BRIEFING MEMORANDUM

SUBJECT: Waste Isolation Pilot Project
Roads in New Mexico

FROM: D. Markoff

TO: R. A. Barnhart
Federal Highway Administrator

Attached for your review and signature is a transmittal memorandum to Mr. Derman and report on the New Mexico Waste Isolation Pilot Project Roads (WIPP) for his concurrence. As you well know, this report is required by the FY 1984 Senate Appropriations Report (Report No. 98-179). Upon Mr. Derman's concurrence, we will prepare a letter of transmittal from you to Senators Hatfield and Andrews. This report has been prepared in E&O and fully coordinated with my office. Your signature is recommended.

Dan Markoff

**Florida Department of Transportation**

BOB GRAHAM
GOVERNOR

Haydon Burns Building 605 Suwannee Street Tallahassee Florida 32301-8064 Telephone (904) 488-8541

PAUL N. PAPPAS
SECRETARY

March 26, 1984

Honorable Steven Symms, Chairman
Senate Transportation Subcommittee
Senate Public Works Committee
509 Senate Hart Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

As we noted in our letter to you of January 5, 1984, concerning your pursuit of legislation to amend or expand the Surface Transportation Assistance Act of 1982 (STAA of '82; P.L. 97-424), we would appreciate your consideration of the views of the State of Florida during your current proceedings on these matters.

In January, our first priority was the expeditious adoption of the 1983 Interstate Cost Estimate (ICE). Although the Congress did fulfill, at least in part, that particular need, that protracted process and its less-than-optimum results strongly suggest need for revision to the statutory provisions by which Interstate System construction funds are apportioned.

Specifically, we strongly support your March 2, 1984, comments made during deliberations on the approval of the six month ICE-ISCE. We too feel that the time has come to enable the Federal Highway Administration to release the interstate funds each year administratively after making the necessary adjustments to the ICE. We also concur that Congress should retain authority to make changes when and as it may deem necessary. Such a process would allow us to continue with our programs without the kind of severe disruptions we are now experiencing. Adoption of your proposal would constitute a marked improvement in the apportionment process for interstate funds; we urge its favorable consideration.

The attachment to our January 5th letter provided additional views on potential amendments to the STAA of '82; the great majority of those points continue to be of concern to us. Therefore, we are including an updated version of that attachment for your review. And again, thank you for providing us this opportunity to offer comments on these critical transportation issues.

Sincerely,

Paul N. Pappas
Secretary

PNP/ghs
Attachment

# STATE OF FLORIDA
# RECOMMENDATIONS ON POSSIBLE AMENDMENTS TO THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

## HIGHWAYS

Highway Trust Fund Balance The State of Florida feels that some improvements could be made to current legislation which would be beneficial to highway and transit programs. However, we are greatly concerned that new legislation might increase authorizations beyond levels contained in the STAA of '82 without proportionate increases in revenues. Calculations by the Congressional Budget Office indicate that by 1987, outlays from the Highway Account will exceed receipts by $1.8 billion and that the fund's existing cash balance will be virtually eliminated by 1989. These developments could seriously jeopardize the whole of the Federal highway program. Nevertheless, we consider the present Trust Fund balance unnecessarily high and do not oppose drawing it down to a more reasonable level; it appears that current authorizations will accomplish just that. However, additional authorizations might ultimately bankrupt the Highway Trust Fund. Therefore, we do not recommend the inclusion of any new programs or expansion of any existing programs which would require additional authorizations from the Highway Trust Fund.

Obligation Ceilings The imposition of obligation ceilings by Congress at levels below authorizations severely hampers our highway planning and programming efforts and is an unacceptable method for controlling expenditures. Revenue deposited in the Highway Trust Fund should be spent on highways -- not left to further increase the trust fund balance. If projected revenues cannot support current authorizations, necessitating reductions in authorization levels for future years, it is our contention that Congress should seek to first protect those programs that directly impact interstate commerce and are of truly national importance (i.e., the Interstate System, the Federal Aid Primary System, and bridges).

Gasohol Tax Exemptions The potential increase in Federal fuel tax exemptions for gasohol is a matter of growing concern to the State of Florida. Under present proposals, a complete exemption for gasohol could emerge as a part of a comprehensive tax proposal now being considered by the Congress. Such an exemption would, most likely, produce major increases in total gasohol consumption. A primary impact would be to drastically reduce Federal motor fuel tax receipts with an accompanying decrease of funds available for distribution from the Highway Trust Fund. An associated proposal would replace 4 of the 9-cent tax loss with transfers from general revenues. However, the anticipated major increase in gasohol sales would produce simultaneous increases in revenue losses attributable to the existing 5-cent exemption. Florida could expect to experience a corresponding reduction in its share of Federal highway funds. Consequently, we strongly object to any increase in the present Federal gasohol exemption.

Tolls As discussed previously, indications are that projected revenues will be insufficient to support long term continuation of the level of authorizations contained in the STAA of '82. Because national highway needs are so great in comparison with anticipated revenues, we think that Congress should give consideration to a concept that would allow the use of tolls in conjunction with Federal revenues for development of, or improvements to, certain highway facilities. Congressional approval of this increased flexibility in the use of federal funds would be of value to Florida and other high growth states and would also be very attractive to states with older highway systems that need replacement or major renovations because of extensive deterioration from age and extended usage.

Priority Primary Program Senate Bill S-2025, and House Bill HR-4264 (which are identical), have been introduced to authorize continued discretionary funding for the Federal-aid Priority Primary Program. The funds to be provided under these bills would be used to complete the original project concepts of the Priority Primary Projects designated in Committee Print 97-61 of the Committee on Public Works and Transportation of the House of Representatives. Funds so provided would not be subject to the apportionment formulas under Section 108 of the Highway Improvement Act of 1982. Such funds would be distributed at the discretion of the Secretary of Transportation. Florida has significant unmet needs on our principal Priority Primary project and thus the enactment of the proposed legislation would be a distinct benefit to this much needed project. Accordingly, we strongly support incorporation of the subject legislation into any new highway amendments legislation.

Pavement Performance Research For some years, the State of Florida has been concerned about the impact of heavy vehicles on our highway system. All indications are that those vehicles significantly accelerate deterioration of the system, but very little definitive data is available outside the AASHO road test conducted twenty years ago. Therefore, we urge some additional long term testing under actual highway conditions to better define damage and costs imposed on various pavement structure and substructure designs. Specifically, we recommend that Congress authorize a multi-state pavement research project, as essentially an extension of the former AASHO Road Test, to evaluate various pavement and subpavement materials, thicknesses, design mixes, construction practices, and evaluation techniques, and to continuously monitor associated conditions over a period of twenty years or longer.

Federal Apportionment Formulas The State of Florida opposes the possible incorporation of weather-related factors in the apportionment formulas for Federal-aid highways. We also oppose any changes in Interstate 4R apportionment factors and formulas. In these matters, we concur with the findings of the Section 137 (STAA of '82) study report as published by the Secretary of Transportation on December 20, 1983.

Non-Interstate Construction Standards The construction standards for non-Interstate federal-aid primary routes should not be required to be absolutely uniform nationwide. Although the Congress did provide extra funding for the primary system last year, the program is still vastly underfunded. Limited funds should not be spent on nonessential elements which do not materially enhance highway safety or capacity. States should be permitted to enter into agreements with local federal officials specifying appropriate design features of individual projects to assure that every dollar spent yields a measurable benefit.

## LARGE TRUCKS

Highway Taxes The State of Florida takes the position that there should be no reduction in the level of highway taxation established by the Congress through the heavy vehicle use tax (HVUT) that is to become effective July 1, 1984. The HVUT has generated considerable opposition within the trucking industry and this has led to the introduction of several bills in Congress which would reduce or eliminate the HVUT increases and substitute a "diesel fuel differential" tax -- a federal tax increase on diesel fuel of a few cents per gallon (with exceptions for light vehicles in most bills). The State of Florida opposes adoption of a diesel fuel differential tax as a substitute for the HVUT. The basis for the opposition rests in the area of equity. Whereas the HVUT was enacted to help establish a reasonable degree of equity among classes of highway users regarding payments in proportion to costs occasioned, the diesel fuel differential tax concept reverses the progress toward greater equity (especially for very heavy trucks) made in the HVUT.

If Congress chooses to make changes in the HVUT, we would support adoption of a federal weight-distance tax. In particular, the weight-distance tax is a very flexible tax; more importantly, it goes far to help establish full equity among highway users. The tax takes into consideration both the weight-carrying capability of vehicles and distances driven, thus overcoming a basic objection of truckers to the HVUT, i.e., lack of consideration of actual vehicle usage. In the event Congress should decide to adopt a federal weight-distance tax to replace the HVUT, care should be taken to assure that the new tax is designed to yield revenues at least equal to those scheduled to be collected under the HVUT. Care should also be taken to assure that the rates established contribute to the achievement of reasonable equity among classes of highway users.

Length and Width Standards Part B, Title IV, STAA of '82, provides new federal length and width standards for commercial motor vehicles. However, various provisions within Part B retain, for the Secretary of Transportation, final authority to designate routes on the Federal-aid Primary System to be open to larger trucks and also to issue rules under which such trucks may operate. Although such provisions may be justifiable from an economic and interstate commerce standpoint, little attention was given to the differing safety needs of the several states. Because of the vastly different geography of individual states and also because of great differences in the physical characteristics of the highway systems in various states, highway safety has become a major issue in the continuing debate over where large trucks should be allowed to operate. To that end, we strongly support modifications to Part B which would reestablish the authority of the individual states to evaluate and to designate those Federal-aid Primary routes that are unsafe for use by large trucks because of design or operational deficiencies. However, we recognize the logic of having minimum uniform standards in this area and would not object to the establishment of such national criteria by the Department of Transportation.

In a related matter, Section 412, STAA of '82, establishes basic criteria for providing to commercial motor vehicle access to the Interstate

Highway System. We in Florida have found the provisions of Section 412 to be acceptable and compatible with the needs of this state. Furthermore, our implementation of those provisions has not been found to be unduly burdensome to the parties concerned. However, we are concerned that federally mandated rules for providing such access may evolve and prove to be inconsistent with our rules. Therefore, although we support a retention of Section 412 in its present form, we also support enactment of associated provisions which would assign to the states the authority to make determinations of what constitutes reasonable access.

## BRIDGES

Bridge Apportionment Formula Subsection (e) of section 144 of Title 23, U.S.C., as amended by Section 121(a), STAA of '82, continues to provide that the federal bridge apportionment formula consider, among other things, respective unit prices on a state-by-state basis. Also, the total cost in each state is divided by the total cost of the deficient bridges in all states to determine a state's apportionment factor for these funds. The requirement for using such State cost data results in states having higher unit prices receiving larger apportionment factors. Consequently, there is relatively little incentive for a state to optimize these costs. Additionally, states, such as Florida, having lower unit prices are effectively penalized for obtaining these lower costs. To remedy the situation described and to encourage efficiencies in this program, we strongly recommend that Congress modify the federal bridge apportionment formula to provide for use of national average unit prices in the formula.

Bridge Replacement Program Increased funding for the bridge replacement program was an essential element of the STAA. However, we were disappointed by the failure to increase the discretionary component of this category. $200 million per year is grossly insufficient to fund the extensive backlog of large bridges needing replacement. Therefore, we urge that this category be increased to at least $300 million per year.

## OTHER ITEMS

Disadvantaged Business Enterprise Another well-intentioned but administratively difficult provision of the STAA of '82 is the disadvantaged business enterprise (DBE) participation requirement. The statutory goal of ten percent immediate participation is not likely to be achieved without some additional special assistance programs. Therefore, we recommend that the states be allowed to set aside certain projects for training and developing disadvantaged businesses. DBE's will not become a significant part of the transportation work force until they are adequately prepared with knowledge and capital to command a competitive position. We can accelerate their movement in this direction by allowing a portion of the funds authorized in the STAA to be used exclusively for projects which are part of the states' regular work programs but which are carried out under relaxed rules allowing one or more otherwise unqualified disadvantaged firms to perform the work under the supervision of state forces or other qualified contractors. We also recommend that the restrictive definition of firms qualifying for the 10% requirement incorporated in the STAA be revised to include firms owned and controlled by women, as was the case prior to passage of the STAA.

- Uniform Relocation Assistance Act Senate Bill S. 531 and House Bill H.R. 1687 propose important reforms in the field of uniform relocation assistance legislation. These reforms address the increasingly cumbersome and outdated provisions of present law by:

1. Providing greater equity for persons affected by a displacing project undertaken with Federal assistance.
2. Significantly reducing costly windfalls without, however, jeopardizing necessary benefit levels for displaced persons.
3. Returning to the states a greater share of the responsibility for managing their own programs.

The proposed legislation successfully addresses the concerns of implementing agencies and the affected public by promoting greater equity, at a reduced cost, in the process of displacement and relocation. S. 531 has been considered favorably in the Senate but H.R. 1687 is still pending in the House of Representatives. The State of Florida is a strong supporter of these actions and would like to see them adopted essentially as presented in their bill form. However, we would also strongly support their inclusion in any 1984 amendments to the STAA of 1982.

STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
ALBANY, N.Y. 12232

JAMES L. LAROCCA
COMMISSIONER

March 28, 1984

The Hon. Steven D. Symms
U.S. Senate
509 Hart Building
Second and C Streets, NE
Washington, DC 20510

Dear Senator Symms:

We regret that we were unable to attend and testify at the hearings conducted by the Transportation Subcommittee of the Committee on Environment and Public Works on March 20 and 22, 1984 on highway legislation which will be considered by the Subcommittee in the near future. However, we would like the views of the New York State Department of Transportation on the impending legislation to be considered in the Subcommittee's deliberations on the legislation, and request that the attached statement be made a part of the hearing record.

Thank you for your consideration of our request. We would be pleased to answer any questions concerning the material presented in our statement.

Kind regards.

Sincerely,

James L. Larocca
Commissioner

cc: The Hon. Daniel Patrick Moynihan
The Hon. Alfonse M. D'Amato

STATEMENT OF

JAMES L. LAROCCA, COMMISSIONER

NEW YORK STATE DEPARTMENT OF TRANSPORTATION

ON FEDERAL HIGHWAY LEGISLATION

SUBMITTED TO

TRANSPORTATION SUBCOMMITTEE

OF THE

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

MARCH 22, 1984

We appreciate this opportunity to present our views on a number of issues which were addressed in the House and/or Senate passed versions of the Surface Transportation Technical Corrections Act of 1983 (H.R. 3103) and also to suggest some additional ideas which might concern the Subcommittee in drafting more comprehensive legislation in the future.

We believe the following actions and ideas if incorporated into the law will enhance the equity of the Federal highway program and ensure good use of the funding made available for such programs.

- Full year Interstate apportionments for FFY 1985 should be based upon an approved 1983 Interstate Cost Estimate and distortions in half-year apportionments due to use of the 1981 Interstate Cost Estimate should be rectified;
- Interstate 4-R funds should be made available for all segments of the designated Interstate System including "non-chargeable" segments in 18 states;
- To assure the full use of all funds authorized for Interstate completion to effectively achieve this national objective the one-half percent minimum apportionment of Interstate completion funds should be authorized from Section 157 of Title 23;
- The 14 year old Railroad Highway Crossing Demonstration Program should be extended to include an authorization for the elimination of some of the most used and hazardous at-grade crossings in the United States;
- Funds authorized for Indian Reservation Roads should be available to assist in the construction of a major highway facility which will traverse the Allegany Indian Reservation in New York and greatly benefit the Seneca Nation;
- New York should be treated in the same way as New Jersey in connection with accelerating the construction of an alternative to a closed truck route in Pennsylvania;
- Section 147 of the Surface Transportation Assistance Act of 1982 which made the upgrading of an interchange in California eligible for Interstate funding should be amended to accommodate a similar project in New York; and
- Funds should be made available to demonstrate how highway improvements can be used to create long term employment opportunities in a depressed urban area and to demonstrate the importance of adequate access to the development of a high technology center.

Following is a brief discussion of these issues:

## EQUITABLE APPORTIONMENT OF INTERSTATE FUNDS

The compromise reached in apportioning one half of the Interstate funds for FFY 1985 using the factors developed from a modified 1981 Interstate Cost Estimate has resulted in several states being apportioned significantly less than they should have been apportioned using any of the 1983 Interstate Cost Estimates which were developed. In other cases states were apportioned more than they would have been entitled to receive using a 1983 Cost Estimate. It is anticipated that it is the intent of Congress to rectify these differences and restore any shortfall to the affected states when the outstanding issues are resolved and a 1983 Interstate Cost Estimate is finally approved by Congress.

To ensure that such restitution is made, it is proposed that the Secretary apportion the remainder of Interstate funds authorized for FFY 1985 which were not distributed by PL98-229 ($1700 million), plus the full amount authorized for FFY 1986 ($3700 million) as the FFY 1986 Interstate apportionment. The apportionment to each state would be the amount required to ensure that the aggregate amount of apportionments for FFY 1985 and 1986 would equal the amount that each state would have been apportioned if the factors in the approved 1983 Cost Estimate had been used to compute full year apportionments each year.

## PROVIDE INTERSTATE 4-R FUNDING FOR ALL OF THE INTERSTATE SYSTEM

While included as an integral part of the Interstate System, about 700 miles of completed expressway in 18 states are designated as "non-chargeable". Some of these highways have been a part of the Interstate System since 1968. They include some of the most heavily travelled segments of the Interstate. All of these completed highways meet all of the standards of a highway on the Interstate System and are logical additions or extensions to the system. They were all constructed without the use of any Interstate funds, but are functioning as key links in the Interstate network.

Congress has recognized that the motorist does not perceive any difference between the regularly designated and non-chargeable mileage and that they have a right to expect that the entire system will be preserved. Legislation has recently been enacted to allow the states with non-chargeable Interstate segments which were designated by the Secretary prior to March 1984, to use a portion of their regular annual Interstate 4-R fund apportionments to resurface, restore, rehabilitate and reconstruct those segments. However, this legislation does not provide any additional funding for the states to do the job. Obviously, the repair of the non-chargeable mileage would have to be made at the expense of needed repairs to the other Interstate highways in the state. We do not believe that the many states which proceeded to build 700 miles of highway which were incorporated into the Interstate System without Interstate funding should now be subjected to the Hobson's choice of whether to preserve the regular or "non-chargeable" segments of their Interstate.

We recognize and support Congressional intent to preclude the use of Interstate construction funds on such highways. However, Congress by its recent action, has signaled its intention that these important segments which are subject to the same wear-and-tear as the remainder of the system be preserved. We would amend Section 104(b)(5)(B) to provide the funding needed to do the job by including the lane-miles and volume of traffic of "non-chargeable" sections of the Interstate System in the apportionment formula.

## RESTORE FULL FUNDING FOR COMPLETION OF THE INTERSTATE SYSTEM

Nationally there are 19 states that have either fully completed the construction of their Interstate System, or require less than one-half percent of the National cost to complete their systems. These states are allowed to use their one-half percent minimum apportionment of Interstate Completion funds to improve non-Interstate highways. As a result, about 6.7 percent of the annual Interstate apportionments--about $250 million annually--are being used for other purposes by these states. This amount will increase as more states near completion.

To eliminate this drain on the funds authorized for Interstate completion and yet protect the interests of the one-half percent states, we would suggest that consideration be given to incorporating a requirement that no state receive less than one-half of one percent of Interstate apportionments in Section 157 of Title 23 which presently allocates over $500 million annually in additional funds to several states to meet the 85 percent minimum requirement. Transferring the minimum payments to this Section would keep the full amount of Interstate completion authorizations for the intended purposes and speed the final completion of the system.

Prior to enactment of the Surface Transportation Assistance Act of 1982 a separate authorization for payment of the required one-half percent minimum was routinely provided, allowing the full Interstate authorization to be used for completion of the system. We would propose to reestablish this separate funding source.

## ELIMINATE MOST HAZARDOUS RAIL HIGHWAY CROSSINGS

Since 1970, over $700 million has been authorized to carry out a national program to demonstrate an ability to improve the safety of at-grade railroad-highway crossings by construction of grade crossing elimination structures and/or relocation of tracks to eliminate hazardous crossings. To date, 18 projects in 10 states (Arkansas, Georgia, Illinois, Indiana, Louisiana, Minnesota, Nebraska, Nevada, Texas and W. Virginia) have been authorized in connection with this demonstration program, which provides funds for 95 percent of the cost of each project.

New York has been a leader in the elimination of conflicts between rail and highway traffic through construction of grade crossing elimination structures. To date, we have been able to complete an extensive program using a variety of funding sources, without participating in the National Railroad Highway Crossing Demonstration Program. Using other resources the state has eliminated most of the major at-grade crossings of the Long Island Railroad passing through densely populated Nassau County.

One of the last remaining series of major at-grade crossings in the County are in Mineola where there are currently six crossings with a total daily traffic of 60,500 vehicles per day that conflict with the passage of over 200 high-speed commuter trains travelling at 80 miles per hour. It is expected that the exposure to accident will be increased 50 percent as the number of trains are increased to 300 per day as the extension of the electrification of the LIRR is completed.

On March 14, 1982, nine teenagers were killed at Herricks Road, one of the six crossings. This crossing, as all others, was a fully protected crossing with flashing lights and gates, yet another tragic accident could not be prevented. Over the last 10 years, 7 auto/train accidents have occurred at these crossings with a loss of 12 lives. According to the National Transportation Safety Board, over the past three years the fatality rate at Nassau County public railroad crossings is 14 times the state average (8.2 fatalities per 100 crossings in Nassau versus 0.6 statewide).

The New York State Department of Transportation, recognizing the urgency of improving safety at these crossings, has initiated the preliminary engineering for design of a single $70 million grade separation structure which will eliminate all six at-grade crossings. The project will be designed to demonstrate the cost-effectiveness of elimination of several hazardous at-grade crossings with a single structure.

## HIGH COST INDIAN RESERVATION ROADS

The Allegany Indian Reservation situated in Cattaraugus County, New York, is owned by the Seneca Nation of Indians. Comprised of over 30,000 acres, it contains over 1,200 full time residents. Although funds allocated by the Secretary for the improvement of the roads within or providing access to Indian reservations have never been made available to improve roads on this reservation or any of the other six Indian reservations in New York, on June 29, 1976 the Secretary of the Interior established that the Allegany Reservation was "eligible for the road construction program".

New York State is in the process of constructing a major four-lane divided highway which will provide significantly improved access to the Allegany Reservation. The future economic development of the Reservation is dependent upon such improved access. An eight mile section of the highway lies within or directly adjacent to the Reservation boundaries. A portion of this section of highway is already under construction, funded by a variety of Federal-aid and State funding sources. However, $27 million is urgently required to complete the remainder of construction on this eight mile section and provide the full benefits from such completion to the residents of the Reservation. We propose that the Secretary of Transportation be directed to allocate a portion of the $200 million authorized for improvement of Indian Reservation Roads for fiscal years 1985 and 1986 to the construction of this project.

## TRUCK BYPASS ROUTE

U.S. 209 in Pennsylvania is a natural travel corridor for commercial vehicles having either an origin or destination in the Northeast. After the completion of I-84 in New York State, U.S. 209 provided a direct link between the New England states and the west via I-80 and I-78 through Pennsylvania. About 2,000 commercial vehicles were using this link.

A small portion of U.S. 209 traverses the Delaware Water Gap National Recreation Area. As a means to restrict the use of the highway by commercial traffic, in June 1981, Pennsylvania transferred title for a segment of the highway to the National Park Service. In accordance with National Park Service policy, action was initiated by that agency to ban commercial through-traffic.

The closure of U.S. 209 to commercial traffic results in the diversion of the traffic which normally used this highway to parallel routes in New Jersey and New York which cannot safely accommodate the increased truck traffic. After litigation on the issue, Congress intervened (PL98-63), ordering a limited ban on commercial traffic through December 31, 1983 and creating a commission to study the effects of the ban on the environment, health, safety and economy of eastern Pennsylvania, northern New Jersey and portions of southern New York. The commission was to study the impact of the ban on parallel highways in New Jersey and New York and to address the feasibility and desirability of the creation of a new permanent truck route to replace U.S. 209. In subsequent legislation the ban was extended to December 31, 1985 .

The commission, in their report to Congress, identified I-287 as an alternative route and recommended that Congress enact legislation to direct the Federal Highway Administration to work with the states of New Jersey and New York to accelerate the completion of that route as an alternative to U.S. 209. PL98-63 allocated 100 percent Federal funds from the Highway Trust Fund to New Jersey to accelerate the construction of their portion of the I-287 bypass. However, the ability of I-287 in New Jersey to function .as an alternate to Route 209 is dependent upon its completion in New York, its connections to the New York Thruway, and the additional capacity provided through transportation system management measures on the Tappan Zee Bridge and its approaches. The Federal Highway Administration should be directed to provide 100 percent Federal funding to meet these needs in New York as well as New Jersey by allowing New York to use a portion of their regular Interstate apportionment to carry out the needed projects.

## UPGRADING CERTAIN INTERCHANGES

Section 140 of the Surface Transportation Assistance Act of 1978 provided Interstate designation and funding for the construction of the Lockport Expressway (I-990) from I-290 to a terminus with North French Road. A recently completed study indicates that the completion of the project at the approved terminus will result in severe traffic congestion on the network of two lane highways which must be used by motorists for access to the completed Interstate highway. Subjected to projected 1990 volumes of traffic, portions of the network will operate at a D level of traffic service.

This occurs because the terminal of the Interstate highway is a two lane road which must utilize an at grade intersecction to service the heaviest traffic movements. Research indicates that there are only four other Interstate highways in the United States which terminate at two lane roads (excluding United States border crossings).

To correct this problem it is proposed to extend I-990 two miles to a connection with the Millersport Highway (Route 263) south of the Smith Road intersection and construct an adequate interchange between the Interstate and the Millersport Highway. The total cost of the project is estimated to be $15 million. Relocation of the terminus of I-990 and the construction of a new interchange with the local highway system at the new terminus is necessary to provide an acceptable level of traffic service to an important Interstate route in the area.

Section 147 of the Surface Transportation Assistance Act of 1982 makes Interstate funding available to correct a somewhat similar situation in connection with an interchange in California. It is proposed to amend that Section of the law to make this needed project in New York eligible for the same treatment.

## NEEDED DEMONSTRATION PROJECTS

Continuing a tradition established many years ago, each major highway act includes a number of key projects which advance the state of the art and demonstrate the impacts of various types of highway improvements upon the economic and environmental well-being of the community. We have identified three such projects in New York which are worthy of consideration.

The first project would demonstrate the ability of a well-chosen public sector investment in highway facilities to directly generate long term economic activity and create permanent private sector jobs even in an area so ravaged as to have become a national symbol of urban decay--the South Bronx. The proposed Bruckner/Sheridan Interchange Project would provide direct Interstate access to the site of New York City's major food distribution center (the Hunt's Point Terminal Market) and to the $100 million locally funded Harlem River Rail complex. Lack of such access is restricting the growth of the Market which has the potential to add 10,000 jobs to the economy by the year 2000, as well as the trailer-on-rail-flatcar facilities in the Harlem River Rail Yards, with a potential to generate 8,300 permanent jobs in the South Bronx. Sixty million dollars are needed to complete this demonstration.

A second project is proposed to demonstrate the importance of adequate access to development of a high technology center. Rensselaer Polytechnic Institute, with the cooperation and active support of government and private industry, is developing a high technology Center in the Albany area. It is proposed to construct about 3.5 miles of new highway to connect the high technology center to an existing uncompleted Interstate interchange to demonstrate how such improved access can act as the catalyst needed to maximize the cooperative efforts of government, private enterprise and the academic community in providing an environment for the development of new technology.

A third project would be to demonstrate accelerated construction techniques which could be used to upgrade an existing arterial highway to freeway standards with minimum disruption of heavy existing traffic. A section of the Sunrise Highway in Suffolk County, New York is a heavily travelled (65,000 ADT) four-lane highway without grade separation, control of access or service roads. A project to upgrade this facility to freeway standards and eliminate hazardous at-grade intersections has been planned since 1961. The project was delayed for years by procedural requirements of various Federal agencies. By the time these problems were resolved, the costs had increased to a point where funding was not available. It is proposed to upgrade a 13.1 mile section of the highway to freeway standards with full grade separation and service roads and demonstrate that such a project can be accomplished using accelerated construction techniques with minimum disruption of traffic. The total cost of the project is $75 million.

ASSOCIATION
OF AMERICAN
RAILROADS

**William H. Dempsey**
President

March 19, 1984

Honorable Steven D. Symms
Chairman, Subcommittee on Transportation
Committee on Environment and Public Works
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

We understand that the Committee on Environment and Public Works is currently holding hearings on the Federal Aid Highway Program. I would appreciate it if you would consider the following comments in your deliberations and that you will make them a part of the record. The Association has two recommended legislative proposals to offer.

Before discussing these two proposals, let me thank you and your colleagues for past enactment of legislation that has made possible the most successful highway safety program ever. Through engineering improvements made possible by Section 203 of the Highway Safety Act of 1973, highway-railway grade crossing fatalities have declined from 1,128 in 1974 to 482 in 1983 -- a 57% decrease. Accidents have dropped by 43% from 10,925 in 1975 to 6,256 in 1983. We are confident that these astonishing results can be maintained, and pledge our continued support and cooperation with those involved in carrying out this program.

The railroads' first proposal arises from unique circumstances, which may have an inhibiting influence on the Section 203 Program and which may threaten its effectiveness. In order to justify the expenditure of funds for highway-rail grade crossing projects, the states and railroads are required to compile information to identify potentially hazardous crossings. The states have been reluctant to identify hazardous situations on a priority basis because of exposure to potential liability. The railroads are understandably cautious in responding to state requests for the identification of hazardous highway grade crossings, which should be candidates for the installation of active warning devices. This concern arises from attempts by plaintiff's attorneys to obtain the surveys and reports in pre-trial discovery and to ultimately introduce them in evidence in trials involving railroad grade crossing accidents. These reports and surveys are developed in good faith to aid in the Federal Highway Safety Program. Such documents should not be used against states or railroads in personal injury or property damage litigation.

1920 L Street, N.W., Washington, D.C. 20036 (202) 835-9126

This problem should be cured by ensuring the confidentiality of surveys and reports compiled for the purpose of identifying and establishing priorities for grade crossing improvement projects. We, therefore, recommend that the Committee consider the following language to be included in the Highway Safety Act of 1973:

> "Notwithstanding any other provision of law, no report, list, schedule or survey compiled by or for a State for the purposes of complying with any requirement of Title 23, United States Code, or the Highway Safety Act of 1973 concerning the evaluation of hazardous roadway conditions or rail-highway crossings in order to plan and prioritize projects to enhance safety, shall be required to be admitted into evidence or used for any other purpose in any suit or action in any Federal or state court."

We have been advised that the Department of Transportation legislative program for the 97th Congress included a recommendation to protect from disclosure information compiled to identify and establish priorities for roadway hazards.

The second recommendation of the railroads pertains to the perceived need for a re-examination of the Section 203 Program. In the Highway Safety Act of 1970, Congress directed the Secretary of Transportation to conduct a full and complete investigation and study of the problem of providing increased highway safety at highway-rail grade crossings. That study, published in two parts in 1971 and 1972, provided a comprehensive statement of the problems and made recommendations for solving those problems. Those studies influenced the subsequent adoption of Section 203 of the Highway Safety Act of 1973. In our view, this is an appropriate time for Congress to direct the Secretary of Transportation to conduct a comprehensive study and investigation of rail-highway crossing improvement and maintenance needs. Such a study should include an assessment of the future direction of the Highway-Rail Grade Crossing Safety Program, dealing with such factors as safety, capacity, congestion, highway traffic flows and educational programs. If you and the members of your committee agree that such a study has merit, we would be glad to work with the Committee staff regarding appropriate statutory language.

Thank you for this opportunity to express the views of the Association of American Railroads.

Sincerely,

W. H. Dempsey

cc: Ms. Jean Schrag
Mr. Richard M. Harris

0227S

Route 4
Martin, Tennessee 38237
April 11, 1984

Ms. Jean Schrag, Majority Staff
Transportation Sub-Committee
Senate Environmental & Public Works Committee
Hart Building, Room 415
Washington, D. C.

Dear Ms. Schrag:

In view of the appearance and presentation made by the group respresenting the opposition to the Pellissippi Parkway Extension in Knox and Blount Counties, we as a similar group in West Tennessee would like to go on record as opposing the relocation of SR-22 to an abandoned railroad site.

Our situations are so very similar in that the proposal for relocating SR-22 has "all the markings of a colossal environmental and economic disaster" and SR-22 should not be relocated but improved. The railroad location will require tremendous land fills on top of soil determined by the U. S. Soil Conservation Service as unsuitable for highway location. Much of the road would have to be built on piers, thus increasing the costs. Also this location will cause extensive flooding of adjacent land because of the levy which will have to be built. Sink holes, pot holes, and road bed collapse will result, thus causing siltation and water contamination. Much wet land and marsh areas will be affected. These are habitat for many species of wildlife.

Since 1979 costs for improving SR-22 from the ICG Railroad in Obion County to East of Martin in Weakley County have almost tripled to about $52,000,000.00 (see Appendix A). An "out of the air" estimate for the abandoned railroad location is better than $66,000,000.00 with no core drillings or detailed surveying having been made. We estimate this relocation will result in costs well over $100,000,000.00. It will also necessitate at least two major structures (bridges) that would not be needed on present SR-22.

The latest traffic counts available do not justify a 250' ROW as is proposed for the railroad location (see Appendix B). Official traffic counts indicate traffic is lessening on this highway and does not justify anymore than upgrading present SR-22. The Urban design will satisfy all traffic needs on this road as its major purpose is a connector road between Union City and Martin.

We recommend an Urban design (four traffic lanes and a turn lane) with full access on the present location of SR-22. This will displace few people, displace few businesses, use less farm land, and accommodate the residents involved. These reasons are in addition to the increased costs involved in the relocation process.

We as taxpayers do not condone the irresponsible, reckless and wanton spending of our tax dollars with total disregard for the convenience and betterment of the people the road is to serve.

We respectfully request that our situation be brought to the attention of the Transportation Sub-Committee of the Senate Environmental and Public Works Committee and be made a part of the findings of this Committee.

We would appreciate hearing from you as to the disposition of this request.

Yours truly,

Mrs. Martha Detchon

Martha Detchon
Co-Chairman

Roger O. VanCleave

Roger Vancleave
Co-Chairman

## APPENDIX A

### PROJECTED TOTAL COSTS OF STATE ROUTE 22 IMPROVEMENTS*

(ANALYSIS OF TOTAL PROJECT AND INDIVIDUAL SECTIONS)
(LENGTHS IN MILES - DATA IN MILLIONS)

| YEAR | TOTAL PROJECT LENGTH: 19.4+ | SECTION I LENGTH: 1.9 | SECTION II LENGTH: 14.4 ALTERNATE A-B | SECTION II LENGTH: 14.2 ALTERNATE C-B | SECTION III LENGTH: 4.2 |
|---|---|---|---|---|---|
| 1979 | 30.48 | | | | |
| 1980 | 30.48 | 4.35 | (18.13)** | | 8.00 |
| 1982 | (64.72-74.58) | 4.35 | 52.37 | 62.23 | 8.00 |
| 1983 | (64.72-78.36) | 4.35 | 52.37 | 66.01 | 8.00 |

*DEFINITION: The total(original) project was described as the Draft Environmental Impact Statement on State Route 22 from the four-lane section near Union City to Old State 22 near Dresden, Obion and Weakley Counties. After tremendous opposition from the general public regarding the Tenn. DOT's proposal to alter the location and type of improvements on State Route 22 from the ICG overpass (city limits of Union City) to just east of Martin (Ralston community), the project was split into three(3) sections. The descriptions are:

Section I: From the four-lane section in Union City to East of the ICG Railroad, Obion County. Project utilizes Existing R-O-W and is an Urban Design. Since no opposition was expressed, a "FONSI" was developed in Oct. 1980 and project is near completion at this time.

Section II: From East of the ICG Railroad to near the Ralston Community Obion and Weakley Counties, Tennessee. Within Section II, the letter "B" denotes a by-pass around Martin. The letter "A" denotes using the existing R-O-W and is none-access controlled. The letter "C" denotes an alternate location to "A" that utilizes a new location on an abandoned R.R. bed that is full-access controlled and traverses through prime agricultural farmland, wetlands, swamps, and woodlands. Both "A" and "C" are the proposals for State Route 22 between the ICG overpass and the State Route 43 By-pass west of Martin.

Section III: From the proposed Martin Bypass near Ralston to Old State Route 22 near Dresden, Weakley County, Tennessee. Project utilizes Existing R-O-W and is a Rural Design. Since no opposition was expressed, a Final Environmental Impact Statement was developed in July 1980, a design hearing was held and project is near completion at this time.

**Data without parentheses are Tenn. DOT projections. Data with parentheses are the result of the addition or subtraction of Tenn. DOT's projected cost per section to arrive at the total cost of project.

## COST ANALYSIS OF SECTION II*

(LENGTHS IN MILES - DATA IN MILLIONS)

| YEAR | SECTION II LENGTH: 14.2-14.4 | SECTION IIA LENGTH: 8.2 ALTERNATE "A" | SECTION IIA LENGTH: 8.0 ALTERNATE "C" | SECTION IIB LENGTH: 6.2 MARTIN BYPASS |
|---|---|---|---|---|
| 1983 | (52.37-66.01)** | 38.34 | 51.98 | 14.03 |

*DEFINITION: See preceding page.

**DATA: See preceding page.

COMMENTS:

Under the heading "Section II, Alternate A-B" in the chart of Projected Total Costs of State Route 22 Improvements, a tremendous increase in the cost of Section II occurs from 1980 to 1982. Conclusive evidence reveals this increase to be purposely exaggerated in order to diminish the increase in cost of Alternate "C" versus Alternate "A". Furthermore, Alternate "C" has been grossly underestimated. No "core" surveys have been taken and no visual on-site inspection of the location has been made. Our sources advise us that Alternate "C" will cost approximately $80,000,000., whereas, Alternate "A" will cost approximately $15,000,000. Using these realistic cost figures, the total projected cost of Section II would be $29,030,000. - $94,030,000., depending upon whether Alternate "A" or Alternate "C" was utilized in the improvement of State Route 22 between Martin and Union City.

## APPENDIX B

## AVERAGE DAILY TRAFFIC COUNTS AND PROJECTIONS
## STATE ROUTE 22 BETWEEN MARTIN AND UNION CITY[1]

| YEAR | PROJECTION 1978 DEIS [2] | PROJECTION LSS-5-82 [3] | PROJECTION STAT OFFICE 2-16-83 [4] | PROJECTION LSS-3-83 [5] | PROJECTION 1983 DEIS SUPPLEMENT [6] | ACTUAL AVERAGE DAILY TRAFFIC COUNT [7] |
|---|---|---|---|---|---|---|
| 1976 | | | | | | 4740 |
| 1978 | | | | | | 5200 |
| 1980 | 6500-9200 | | | | | 6080 |
| 1981 | | | | | | 5640 |
| 1982 | | | | | | 5000 |
| 1985 | | 3020-7480 | 7150-7480 | 7480 | 7480-13970 | |
| 2000 | 13000-17500 | | | | | |
| 2005 | | 6370-7480 | 14300-14960 | 14960 | 14960-25300 | |

[1] The average daily traffic counts and projections were made by the Tennessee Department of Transportation to be used for justification for improving State Route 22 from the four-lane section near Union City to Old State Route 22 near Dresden (Obion and Weakley Counties).

[2] 1978 Draft Environmental Impact Statement (FHWA-TN-EIS-78-09-D)

[3] Projections contained in LSS (Location Summary Statement) given to public At the May 11, 1982 corridor hearing.

[4] TennDOT requested an update of projections from the Statistics Office of TennDOT.

[5] Location Summary Sheet using updated projections from Statistics Office.

[6] 1983 Supplement to Draft Environmental Impact Statement (FHWA-TN-EIS-83-04-DS)

[7] Actual Count taken by TennDOT's Office of Research and Planning. Counter placed at approximately Cypress Creek Road on State Route 22 between Martin and Union City.

**CORRECTIONAL INDUSTRIES ASSOCIATION, INC.**

SENATOR GORDON J. HUMPHREY.
531 HART
SENATE OFFICE BLDG.
WASHINGTON, D. C. 20510

Dear Senator;

I am enclosing for your information a copy of a "fact sheet" that was developed by our organization regarding the impact of Correctional Industries Highway Sign Programs on the overall market for such products and materials.

In addition, this document broadly indicates some of the potential problems that would be created by a denial to this market.

It is our belief that not only the factors of reduced cost to tax-payers, training and employment of inmates, and reduction of the dangerous situation of idleness in our prisons, a much overlooked factor is the fact that, in order to produce these products approximately ninety percent of the total sales figure of nineteen and one half million (roughly seventeen and one half million) is expended for the purchase of raw materials from the private sector, most of which is purchased in the state or jurisdiction in which the program is operational, and in so doing has a favorable financial impact on these suppliers enabling them to maintain levels of employment and profit.

Based upon the facts as presented above, it is our position that to impose legislative restrictions on Correctional Industries that preclude the opportunity to share in the highway sign and materials market is not in the best interests of the tax-payer) inmate, or business elements of this country and therefor should not be considered favorably.

Sincerely,

Robert A Thomas
ROBERT A. THOMAS - PRESIDENT

## CORRECTIONAL INDUSTRIES

## SIGN MANUFACTURING

### General

. As of January 1, 1983, there were nearly 400,000 inmates in state and local correctional facilities nationwide, an increase of almost 12% over the previous year. Projections estimate the population will increase to over 450,000 by January, 1984.

. Most correctional systems are operating over their designed capacity.

. The average cost (nationwide) per inmate per year to operate a correctional facility is $15,820, and is increasing dramatically each year.

. The national average cost for building new facilities is $50,000 per bed for medium security. Over 10,000 new beds were added nationwide in 1982 alone.

### Conclusion

- The costs of running correctional facilities are increasing at an alarming rate.

. Correctional administrators are faced with monumental management problems which have serious consequences.

### Correctional Industries

. Correctional Industries can reduce the cost of programming inmates by operating on a self sufficient basis.

. Throughout the country, Industries programs operate approximately 31 sign shops.

. Correctional Industries captures relatively small portions of markets they participate in.

| | |
|---|---|
| . Estimated annual highway sign market | $500 million |
| . Correctional Industries sign sales-1982 | $19.5 million |
| Industries' Market Share | 4% |

. As of January, 1983, there were over 40,000 idle inmates in U.S. prisons

. Section 148 of the Surface Transportation Assistance Act could idle as many as another 1000 inmates and costs states with sign shops up to $20 million.

WORK COPY

# THE NEED FOR INCREASING AND SUSTAINING UNIVERSITY RESEARCH AND TRAINING IN THE TRANSPORTATION SCIENCES

Presented to

Subcommittee on Transportation
Committee on Environment and Public Works
Senate, U.S. Congress

March 1984

CUTC Council of University
Transportation Centers

## INTRODUCTION

Mr. Chairman and members of the Subcommittee on Transportation, the Council of University Transportation Centers (CUTC) is pleased to have this opportunity to indicate to you our strong support for research and development in transportation. The council is composed of 21 universities having major programs in transportation representing the States of California, Florida, Illinois, Indiana, Kentucky, Massachusetts, New York, North Carolina, Oregon, Pennsylvania, Tennessee, Texas, Virginia, and West Virginia. We believe the increased revenue from the Surface Transporation Assistance Act of 1982 is badly needed and can substantially aid necessary improvements in our nation's highways and public transportation systems. Inflation has eroded away the ability of the monies available for surface transportation to meet the needs of providing transportation services and facilities that permit us to be competitive in the supply of goods and services nationally and internationally and to maintain the well-being of the general public.

Our transportation facilities and services must be financially strong and be supported by the Congress and by the Administration if the economic infrastructure of this country is to survive. Since the total expenditures for transportation represent approximately 20 to 25 percent of the gross national product (GNP) of the United States, our vast network of highway, transit, air, rail, trucking, pipeline, and water transportation facilities and services must operate effectively, efficiently, and economically for us as a country to thrive and be able to provide for our national defense. Unlimited natural resources coupled with an inordinate amount of manpower will not ensure the economic well-being of any country that does not have an extensive transportation system.

## DECREASES IN SUPPORT FOR TRANSPORTATION

We have seen a decrease in support for transportation in general. As an example, the State of Texas, a long time leader in the highway field, allocated 32.6 percent of its state government expenditures to highway capital in fiscal year 1960. In fiscal year 1982, the amount had been reduced to 6.4 percent. Unfortunately, our transportation system and services have deteriorated over the entire United States due to this reduction in support. All of you know that a substantial number of our nation's bridges are in need of replacement or repair; some are being closed. The surfaces of our highways are filled with potholes. At least one state is requesting trucks to drive in the median lanes of its Interstate Highway System because the right-hand lanes have deteriorated so much that they cannot take further damage. This practice not only adds to rapid deterioration of the median lanes but also decreases the safety of the Interstate Highway System where these policies are in effect.

Many of our nation's airlines continue to lose enormous sums of money. The trucking industry is in one of the more severe economic downturns in the past 50 years. The ability of local communities to provide adequate funding for transit services is decreasing each year. In fact, in the past few years there has been a decline in transit services in many urban communities. We also have had difficulty in increasing the capacity of our inland waterway systems as well as our deep water ports; capacity must be increased to maintain economic efficiency in the transportation of goods. In addition, we import much of our transportation technology.

## DECREASES IN SUPPORT FOR R&D IN TRANSPORTATION

The first work under the Strategic Transportation Research Study being conducted by the Transportation Research Board of the National Academy of Sciences is directed to the highway field. I have taken some exhibits and charts from this work and would like to share those exhibits with you since they are indicative of the transportation field as a whole. Exhibit 1 shows the decline in highway research and development (R&D) expenditures from 1973 to 1982 in 1982 dollars. You will notice from Exhibit 1 that in 1973, from all sources, we were spending $111.3 million (1982 dollars) on highway research; however, by 1982 the total expenditures had dropped to $55.9 million. Thus, in about one decade, we had reduced our highway R&D expenditures by about one-half.

Exhibit 2 shows the percent of the total expenditures in the highway field that was spent on R&D. You will notice that in 1965 only 0.25 percent of the total expenditures in the highway field was devoted to R&D. This amount had dropped to 0.15 percent of program expenditures by 1982. As you

## U.S. HIGHWAY RESEARCH EXPENDITURES

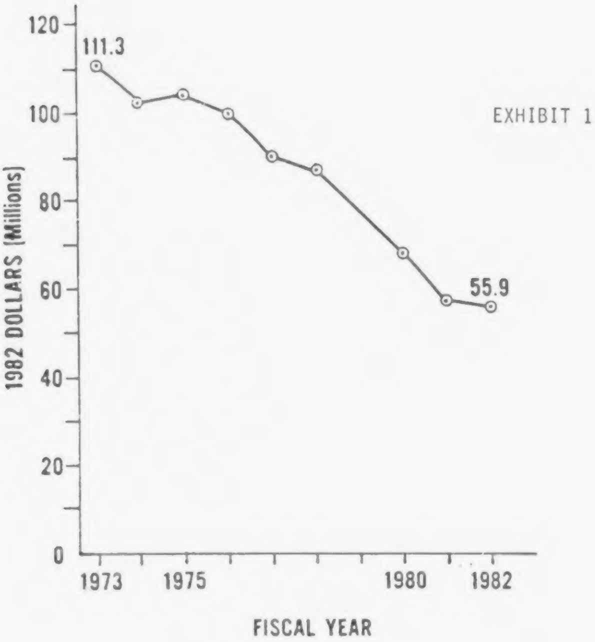


EXHIBIT 1

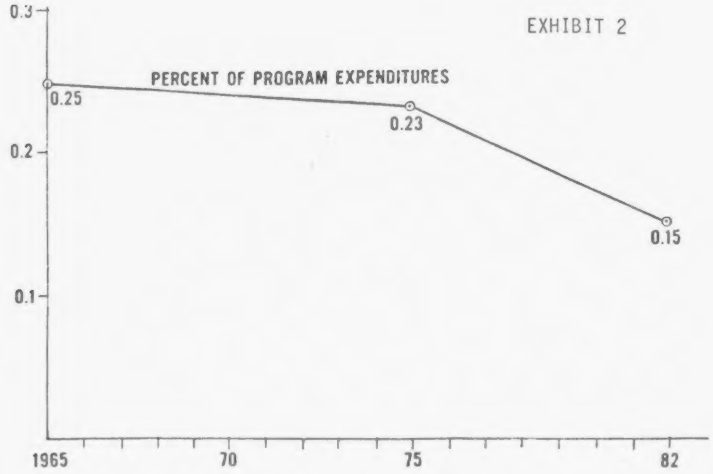


EXHIBIT 2

HIGHWAY RESEARCH TRENDS

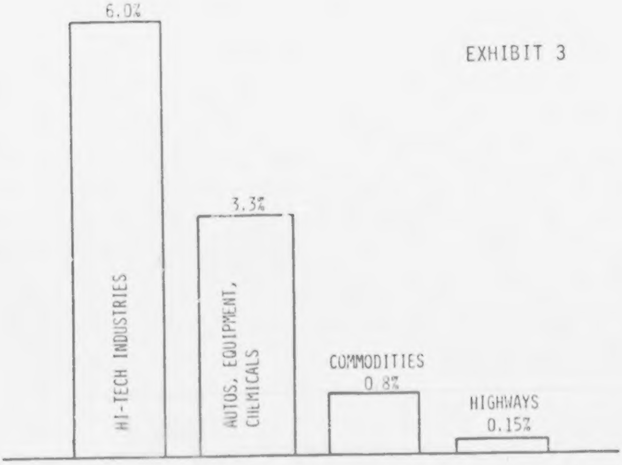
can see we have reduced by almost one-half the percent of the program funds that is spent on R&D in the highway field.

Exhibit 3 shows the amount of R&D funds spent as a percent of sales for a selected number of industries. If you look at the high-tech industries, you will find that about 6.0 percent of the sales is spent on R&D; on autos, equipment, and chemicals you will find that about 3.3 percent of sales is spent on R&D. However, as is shown for highways, only 0.15 percent of the total expenditures is spent for R&D. You would have to increase the R&D funding for highways by 4,000 percent for highway research funding to be equivalent to research funding in the high-tech industries. If we spent 6.0 percent of sales (expenditures) on R&D in transportation, we would be spending $2.2 billion per year. This is, of course, somewhat higher than the $55.9 million that we do spend. I believe we all are aware of the technological capabilities of the high-tech industry and its ability to compete worldwide. It is unfortunate that the highway field does not even come close to these capabilities. This is a direct result of a lack of funding for R&D in the highway field.

Part of the reason for a lack of R&D funding is the large number of agencies that have expenditures for highway work. Many of these entities have to rely on other organizations for R&D in the transportation field. As an example, Exhibit 4 shows the percent of monies spent on highways and streets in the United States by each category of agencies. As an example, cities provide approximately 15.7 percent of the total highway and street expenditures. There are some 20,000 cities making these expenditures. In addition, there are some 2,500 counties that have expenditures for highway and street improvements. Thus, you can see that it is very difficult for each one of these agencies to have their own R&D program, and in fact, we all know that they do not. Only the 50 states and the federal government normally have R&D activities, and the total funding provided for R&D by these agencies has become so small as to be almost ineffective.

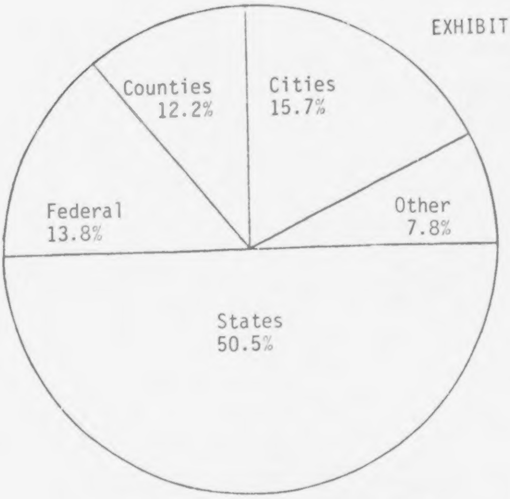
A massive infusion of R&D funding is needed if we are to be successful in worldwide competition and to save enormous sums of money in the construction and maintenance of our transportation infrastructure. As an example, $40 billion a year are spent on highways and streets in the United States. A 1.0 percent savings in transportation costs would result in a $400 million

EXHIBIT 3



R&D FUNDS AS A PERCENT OF SALES

EXHIBIT 4



HIGHWAY AND STREET EXPENDITURES
BY TYPE AND NUMBER OF AGENCIES

savings. The potential savings are so enormous that it seems almost ludicrous not to support R&D efforts strongly with adequate funding.

## WORLDWIDE COMPETITION

The United States is in world competition. We compete with other major developed countries such as Japan, West Germany, and others who, through a variety of reasons, quite frequently win in the competition for both worldwide and United States markets. All of these markets are depend on transportation services and facilities, and many of the markets such as the automobile are subsets of the transportation system itself.

Our nation is facing an economic state that has only been rivaled by conditions in the great depression. Large percentages of our work force in certain portions of the United States are unemployed, yet at the same time many jobs go unfilled. How can this situation exist? The answer is that our needs have changed. We have moved from an industrial based society to an information based society using computers and electronic capabilities requiring different job skills that many of us had difficulty visualizing only a few years ago. Our ability to compete in worldwide markets depends upon our ability to produce highly trained individuals to fill these jobs and upon R&D to provide the level of knowledge necessary to develop improved products and services to remain competitive with other nations. If we increase our defense R&D budget at the expense of other R&D funding, we may win the defense war with Russia but lose the economic war to Japan and West Germany. While manpower was the national resource which built this country, knowledge power will be the key to the future. Without R&D, our level of knowledge will not increase sufficiently for us to compete worldwide.

## U.S. RANKING IN TECHNOLOGY AREAS

Unfortunately, the United States now ranks fourth in overall scientific literacy, falling well behind Russia, West Germany, and Japan. Russian universities graduate six times as many engineers and many more scientists than do our universities, even though our university enrollment is twice that in Russia.

In 1981 only 2,800 Ph.D. degrees were awarded in engineering in the entire United States. Approximately 1,000 of those were awarded to foreign nationals; many of these foreign nationals are not available for employment in the United States. It is difficult for me to imagine that, in a country with 230 million people, we are only graduating 1,800 American Ph.D.s in engineering in a year. No wonder we are behind.

Presently, about 10 percent of the engineering faculty positions in the United States are unfilled. It is estimated that there was a need in 1983 of at least 6,700 new faculty in engineering to provide quality education. The number of engineering students per instruction person-year increased by a factor of two from 1973-1974 to 1980-1981. In other words, the work load from teaching alone doubled in only a seven-year period. In addition, estimates show that it would require over $1 billion to update undergraduate laboratories to a 1971 level, and another $1 billion to accommodate the increase in student enrollment since 1971. Thus, there is a need of over $2 billion just for equipment for undergraduate engineering education, and this does not include what is needed for graduate education.

In the Soviet Union there are about 90 R&D scientists and engineers per 10,000 workers in the labor force. The United States is still second with about 60 R&D professionals per 10,000 in the labor force. The United States' ratio has remained near this level since the early 1960s. We were making a very slight improvement in the late 1970s. However, the Soviet Union has raised its ratio by more than 80 percent since 1967 when the number of R&D professionals was some 55 per 10,000 labor force. From the mid 1960s, the ratios for Japan and Germany rose from about 25-27 R&D professionals to about 50 R&D professionals per 10,000 workers by the end of the 1970s.

R&D activities provide the foundation for our future competitiveness. Yet, while the United States' investment in nondefense R&D is stagnating, the share of output devoted to nonmilitary R&D in other industrial nations has risen. Up until recent years, the share of the national output devoted to R&D in the United States was considerably greater than in other major industrial nations. In 1964, R&D in the United States was 2.97 percent of the GNP. However, it has fallen now to about 2.3 percent--a 23 percent decrease. Yet, at the same time, West Germany has increased R&D spending from 1.57 percent of the GNP in 1964 to 2.36 percent in 1979--a 49 percent increase. At no surprise, Japan increased R&D spending from 1.48 percent to 1.93 percent of the GNP--a 30 percent increase in this same period of time. France, the United Kingdom, and the United States have all lowered their rate of R&D investment, with R&D in France being lowered by 15 percent and R&D in the United Kingdom being lowered by 9 percent since the 1960s. I do not have to provide the subcommittee members here today with the economic status of France, the United Kingdom, or the United States when compared to Japan and West Germany.

## NEED FOR SUSTAINING R&D

Many of you may be familiar with a well-known company that manufactures tapes for recorders and computers. This company in the early 1970s, while having large sales revenue, was losing millions of dollars. The company replaced its chief executive officer and brought in someone new who began cutting expenditures. Funds for R&D were almost eliminated. About seven to eight years later the company again was in financial trouble, losing millions of dollars per year. A new chief executive officer was employed. This time the gross revenue picture was not good. In that period of time, very little money was spent on R&D, and few new products were available for increasing sales. Therefore, by making a deliberate decision in the early 1970s to reduce expenditures for R&D, this company created an enormous gap to overcome later because of a lack of new products being continually developed in a highly competitive technological market. To overcome this gap, the new chief executive officer increased the R&D budget to approximately 24 percent of the total budget.

Short-term up and down R&D programs cause tremendous inefficiencies and do not provide a continual sustaining program that provides a steady output of products, knowledge, and highly trained individuals. In the transportation field we need to develop new knowledge and new products continually and to train individuals to be competitive in world markets. R&D is an investment in our future--an investment in which the return can be very large.

We have heard in the last year or two a lot of talk that industry will pick up the tab for R&D. However, when we look at the facts, only about 6 to 7 percent of the R&D budgets in universities is coming from industry. I know of no one who is well versed in this area who believes that percentage will substantially increase in the near future, if ever.

If we continue to support R&D in the way that we have in the past, all of our high technology efforts may well go the way of Detroit. Perhaps we really need a new high technology Morrill Act. It was through the Morrill Act that land grant institutions were created along with the agricultural programs and extension services which have enabled us to be the unquestioned world leader in food production. No one else even comes close. I would suggest that our future economy will depend on education in the high tech areas, perhaps through programs similar to those that we have employed in agriculture, in order for us to maintain our technical world leadership that has been eroding so dramatically in the past several years. Without developing and applying new technology to our transportation systems, it is simply impossible to achieve the economic goals which we are seeking in this country.

## CURRENT FEDERAL PROGRAMS IN TRANSPORTATION FOR HIGHER EDUCATION

Although it is not generally recognized, it is a fact that neither the Department of Education (ED) nor the National Science Foundation (NSF) sponsor programs in transportation, as they do in many other areas of higher education. This has been primarily due to the fact that there is a modal agency in transportation, i.e., the U.S. Department of Transportation (DOT). NSF and ED feel that the U.S. DOT should have all responsibility for research in transportation including that for higher education. While the U.S. DOT does have two university programs for research in surface transportation, they are very small, and one of the programs is being phased out.

There is a small program in the Urban Mass Transportation Administration (UMTA) addressing a small number of transportation areas. Much of this money in the past has gone to small schools that have only a limited number of faculty and staff in transportation. In 1984, this program will have about $1 million solely for universities. Another $1 million will be utilized to support the nine university centers for transit research and management development that were selected by sole source under former UMTA Administrator Teale. These nine universities did not compete for the funds. I do not believe that the sole source process was the intent of Congress when the original university bill was passed.

The other program for universities has been in the Reserve Special Programs Administration (RSPA). The Director's position has been eliminated, and the remaining part of the program is being transferred to the Office of the Secretary and will be used only for placing emphasis on existing historically black colleges and universities taking part in transportation research and for aiding minority students in preparing for careers in transportation.

Considering the total funds spent on transportation per year in the United States, this small effort in U.S. DOT for higher education seems somewhat less than adequate to address our needs. This is one major reason why we have dropped so far behind other countries.

## CURRENT FUNDING FOR TRANSPORTATION R&D RECEIVED BY UNIVERSITIES

The overwhelming majority of U.S. DOT and other agency R&D monies that go to major universities with transportation programs do so as a result of competitive biddings by universities against major private consulting and research firms. Because of the inherent nature of a university, with responsibilities for both academic programs and research, it is often difficult for a university to compete effectively for research contracts requiring the quick turn-around time often imposed on R&D efforts by the U.S. DOT and other agencies.

In addition, the R&D efforts of the U.S. DOT are very short-term, specific-task oriented. While this may meet the immediate internal requirements of U.S. DOT, it does not meet the national needs for developing and sustaining the expertise required to support our transportation infrastructure and to be competitive worldwide. Major innovations do not normally come from this type of research. This is why it is so important that Congress consider supporting transportation research in universities. We need a continuing, long-term program in transportation research which will address the many critical issues that are facing us. We have neglected basic research in transportation for so many years that we have fallen behind and are now being surpassed in many areas by other countries, such as Japan and West Germany. Even Italy is supplying many of the rail cars used in urban transportation services. Our costs are greater than they should be because we have had so few innovations due to a lack of support for research.

In addition, it is extremely critical that individuals available for employment in the transportation industry have an education and backgound in these areas. Without the proper educational training of individuals in the various aspects of transportation, we continually "reinvent the wheel."

## SUPPORT FOR REGIONAL TRANSPORTATION RESEARCH CENTERS

Our objective in this presentation is to stress the fact that universities can contribute effectively to maintaining viable transportation systems through R&D activities if they are provided the opportunity. We believe there is a need for a new program to support R&D in transportation in universities to sustain the required technological support for our transportation infrastructure.

The concept of regional transportation research centers could be extremely beneficial to the United States. This would permit continued resources to be devoted to addressing problems of a national interest as well as to regional interests. Both national and regional problems impact our economy and particularly our transportation facilities and services.

Regional centers, perhaps, often will be made up of a consortium of universities located in that region, some of which most likely will be minority schools. Therefore, the ability of minority schools to develop their capabilities in transportation R&D and in the training of individuals would be greatly enhanced.

There is a need to support, in a very large ongoing fashion, regional centers that will be able to provide support for our larger transportation programs in universities. Currently, we have universities with as many as 300 or more individuals working in transportation R&D and in teaching. Member universities of CUTC have had large ongoing transportation programs for many years, and these programs need to be upgraded to meet the challenges facing us.

Universities have often been criticized for engaging in research that seems to have few, if any, benefits. While we are the first to admit that every research dollar does not provide a return on our investment, we strongly contend that there is a large return on the aggregate research dollars in transportation. To illustrate this point, we have assembled some typical examples of research that have been conducted by some of our member institutions. These are included in Appendix A. I think you will be pleased with the results and the impact that these research projects have had.

In addition to the research projects summarized in Appendix A, it is interesting to take note of Pennsylvania Secretary of Transportation Dr. Thomas D. Larson's statement in Research/Penn State:

> Research/Penn State:
> One of your brochures notes that pothole patching has fallen off in the past year or two because the job, as it is now done, lasts longer. Who discovered how to do it correctly?
>
> Larson:
> A Penn State-[Pennsylvania Department of Transportation] study did. That was one of the first things we tackled. The work now has shifted significantly, but remember that in 1979 the construction program had been stopped and Pennsylvania was full of potholes. Back then, filling a pothole meant "dump-and-run." You opened the tailgate, let some black stuff fall into a hole, and drove on to the next one. Often the workers barely got out of the cab. We changed all that. Now we approach a pothole like a dentist aproaches a cavity. We cut it out, clean it, put cement in, fill it, and compact it. We went to Penn State and got researchers to help us put together an eight-step program for filling potholes. People laughed, but we took this method to every foreman, made videotapes, lectured, and anytime we spotted a crew that wasn't doing the job right, we lowered the boom on them. I fired a few people on the spot for not following the eight-step procedure, and we turned it around. Last year in Dauphin County, we used 66 percent less patching material than we used the year I came here. That's important, because filling potholes by hand is about the most wasteful process I know. Now we use preventive maintenance, so we don't have as many potholes. And if a patch job lasts four times as long, that's a real jump in productivity.
>
> Research/Penn State:
> So manual work declines, and mechanized operations increase?
>
> Larson:
> Exactly. There is a lot of research imbedded in the pothole story. We had to research the methods and the literature. What method cost the least? What kind of equipment do you need, what training, what materials? How do you present this to a 10,000-person maintenance force that had lost the ethic to work, let alone to do things right? That was a communications problem, and we had to work hard on that. Not a simple turnaround at all.

Dr. Larson was previously the director of the Pennsylvania Transportation Institute at The Pennsylvania State University and president of the Council of University Transportation Centers.

Increasing our federal spending for defense R&D may be absolutely essential for maintaining our defense capabilities. However, there are negative impacts resulting from this policy. Faculty in universities tend to work where funds are available. Thus, if R&D funds are available in defense or areas other than transportation, faculty members will work on projects supporting those activities. In addition, graduate students tend to work in the same areas as the faculty. If R&D funds are not available for transportation research, then we are losing the best minds needed to make the transportation system and services competitive and economically viable.

Programs that fluctuate continually cannot be strong contributors to solving transportation problems and issues. We must have continuity in our programs. We will not be able to face the future in an acceptable fashion if we neglect transportation R&D for 5 or 10 years and then try to infuse large amounts of money to build up the program, only to let it die again a few years later. If we develop programs in the haphazard fashion described above, then the faculty who will be brought in to work on a short-term basis will not receive the years of training and experience in transportation that could be acquired from continually conducting R&D in transportation.

Federal funding is required to undertake the needed R&D in transportation. Many of the transportation R&D benefits are national in scope, so it is unrealistic to expect the citizens of those states fortunate enough to have quality university transportation programs to shoulder this funding burden on behalf of the nation at large. Also, much university transportation research deals with questions of publically provided infrastructure and public policy. These topics are inherently governmental in nature, and the private sector will not assume the responsibility of conducting or sponsoring the research needed in these areas.

## CRITERIA FOR ESTABLISHING REGIONAL CENTERS FOR RESEARCH AND TRAINING IN THE TRANSPORTATION SERVICES

The CUTC strongly believes that the establishment of regional centers should follow certail criteria in order to ensure competition among universities and to achieve effective, efficient, and economical programs. The following criteria are proposed for the establishment of the regional centers.

1. Regional Centers in Transportation

   There shall be established in five or more federal regions, Regional Centers in association with institutions of higher education for research and training in the various transportation disciplines including all aspects involved in the movement of persons, goods, and services by all modes of transportation.

   Upon submission of a written proposal of the proposed programs and professional qualifications of the University, the Secretary of the Department of Transportation will make selections of such centers based on the following criteria:

   (1) The Regional Centers shall be dispersed geographically throughout the U.S (being located in the 10 federal regions).

   (2) An institution of higher education with which a proposed center is associated shall be located in a state that is representative of each region's need for the various modes of transportation.

   (3) The institutions selected shall have demonstrated research and extension resources capable of providing leadership and making broad national and regional contributions to the solution of both long-range and immediate transportation problems.

   (4) Only universities with an established transportation program having a university-wide focus encompassing the several disciplines of the transportation sciences may be selected. These programs shall have demonstrated management capability for achieving continuous effective involvement of the various appropriate disciplines.

   (5) The prospective institutions shall demonstrate a commitment to the national effort by supporting an on-going transportation research program with regularly budgeted institutional funds of at least $200,000 per year.

   (6) The federal funds received by each center must be matched equally (one for one) with non-federal funds.

   (7) The associated university must have a demonstrated capacity to disseminate research results and educational programs through a statewide or regionwide continuing education mechanism.

(8) A consortium of universities representing a region, collectively meeting the above criteria, shall be eligible for consideration for selection as a Regional Center.

2. National Advisory Council

To coordinate and focus the effects of such Centers, to provide for structured input from the universities and from the transportation industry, and to provide the Secretary of Transportation with central contact for program and administrative matters, there shall be a coordinating and advisory council of department representatives (appointed by the Secretary), Regional Center directors, and representatives from the transportation industry (selected by the Secretary and Regional Center directors). The committee shall include not more than eight (8) departmental personnel, all Regional Center directors, and eight (8) representatives from the transportation industry. The representatives from the Department of Transportation and the transportation industry shall be appointed for a five year term and may be reappointed. The Secretary or his designated alternate shall chair the committee and it shall meet at least yearly for program review and evaluation.

3. Responsibility for Oversight

The oversight of this program shall be at the level of the Office of the Secretary of Transportation.

4. Allocation of Funds

The Secretary of Transportation shall allocate an average of one million dollars per Regional Center per year for a five year program. The award of funds will be based upon proposals submitted that meet the criteria listed in 1 above. A regional Center may receive additional five-year program funding based upon the evaluation of the prior five year program by the National Advisory Council. The intention for the allocation of funding across regions is to be reasonably uniform.

5. Technology Transfer

Funds provided to the Regional Centers may be used for information dissemination activities, including identifying, assembling, interpreting, and publishing the results of research, providing for prototype operations and training programs. No less than five percent of the funding shall be used for technology transfer activities.

## SUMMARY

R&D is absolutely essential. To think otherwise is foolish. If we neglect the R&D in transportation, both industry and government will lack the brain power necessary for us to be a world force in the economic realm. There is a very direct linkage between training and R&D. Without R&D in universities, the quality of individuals graduating will be far less than will be required for us to sustain our way of life.

This proposed program requires an equal match of funding from other than federal monies. Thus, states, local communities, and/or private industry will become equal partners with the Federal Government in providing funding for R&D. However, the Federal Government must be the catalyst to begin and continue the program in R&D. Without the support of Congress for R&D efforts in transportation, as well as in other areas, we will become a second or third world power in the next 50 to 75 years. We cannot afford a policy that points us in that direction.

Whether we wish to believe it or not, science and technology will be the most essential components of the future welfare of industrialized nations. The clock is running. Every hour counts in this race for economic survival. Universities are willing and able to meet the challenge that presently exists in this country. The question is, are the Congress and the Administration up to the challenge?

# APPENDIX A

## Examples of Research Conducted by Members of the Council of University Transportation Centers

# CHILD PASSENGER SAFETY

Automobiles for many years have been the leading killer of young children. The death rate from automobile crashes exceeded that of all major diseases of children combined. In 1977, the State of Tennessee passed the Child Passenger Safety Act which required with some exceptions, that children being transported in automobiles in the State of Tennessee be placed in federally-approved child restraint devices. The Transportation Center at The University of Tennessee took responsibility for developing the public information and education activities related to that law and for providing an evaluation of the effectiveness of the legislation. Through its research efforts, the Transportation Center developed an extensive public education program on safety for children in the State of Tennessee which resulted in an overwhelming public response to this new legislation. The research efforts at the Transportation Center led to an increase in utilization rates of child restraint devices by over 100 percent. After the effective date of the legislation of January 1, 1978, only one child that was in a child restraint device has died on Tennessee highways, and that child was in what would be commonly termed a "non-survivable" crash. It is estimated that in the three-year period of 1978, 1979, and 1980, 10 deaths of children were prevented because of the legislation and research efforts in Tennessee.

As a result of the research efforts in Tennessee by the Transportation Center, 32 states have enacted legislation, with another four states waiting on a Governor's signature; two states have legislation in conference committees. Some 83 percent of the United States population is now covered by this type of legislation. Thus, the research conducted in Tennessee by the Transportation Center led to a national awareness of safety problems of transporting children in motor vehicles and led to a substantial savings in lives and personal injuries to small children. It was through the expertise of specialists in child care and engineering in the University that an effective program was developed for and accepted by parents of small children.

## UNIVERSITY OF TENNESSEE TRANSPORTATION CENTER

Section 101 of P.L. 95-502 called for the preparation of a Master Plan for the Upper Mississippi River. In support of the navigation/transportation element of this plan, the Transportation Center conducted extensive capacity studies of the system's navigation locks. The Center developed an advanced and very detailed computer simulation model of lock operations, and simulated future vessel traffic moving through the locks. A variety of methods for increasing lock capcity were examined. The study results demonstrated that low-cost operational improvements were often sufficient for many years, thus eliminating or postponing hundreds of millions of dollars worth of new construction. As an added benefit, the computer model was successfully turned over to Corps personnel, where it is available for future studies.

## RIDESHARING

Knoxville Commuter Pool's research and demonstration ridesharing program began in the Transportation Center at The University of Tennessee in 1976. This research program was developed to explore ways in which ridesharing activities could be used to reduce the total vehicle miles driven, thereby reducing the number of gallons of fuel used, and to provide economic savings to participants in carpools and vanpools. Knoxville Commuter Pool works with employers and employees in the greater Knoxville and East Tennessee area. Many innovative concepts have been developed and implemented to make ridesharing an attractive alternative to other forms of transportation. To illustrate the results from the research and demonstration ridesharing program, the following savings accrued in 1982 to the greater Knoxville and East Tennessee area.

| | Vehicle Miles Saved | Gallons Saved | Economic Savings to Riders |
|---|---|---|---|
| Carpools | 24,899,690 mi | 1,659,980 gal | $4,730,941 |
| Vanpools | 13,542,080 | 902,815 | 2,982,836 |
| | 38,441,770 mi | 2,562,795 gal | $7,713,777 |

During 1982, Knoxville Commuter Pool assisted over 16.394 area employees in finding ridesharing commuting methods to and from work. Thus, through the efforts of many disciplines in an university environment, substantial savings have resulted to the community and to individual participants in the ridesharing program. This program is considered an excellent project in dealing with real world research and demonstration and has greatly helped the employers, employees, and all residents of the greater Knoxville and East Tennessee area.

## AN EXPERIMENTAL SEGMENTAL BRIDGE

Innovative bridge construction techniques have been studied at The Pennsylvania State University using an experimental segmental bridge. This segmental bridge is a 121-ft., simple-span, curved bridge consisting of two independent girders with box cross section and side cantilevers. Because of track curvature at the bridge location, the girders have full superelevation. Epoxy was used as the main jointing material for the segments, which are held together with torsional shear dowels and longitudinal and diagonal post-tensioning. The bridge's fabrication and erection procedures were evaluated using work-improvement techniques, and recommendations were made for procedural improvements.

Testing of the segmental bridge in the field under working and ultimate loads was supplemented by testing of segments in the structures laboratory in the University's Department of Civil Engineering, by photoelastic model studies, and by a theoretical analysis. One of the girders of the experimental bridge was overloaded to failure to determine the modes of failure and the safety factors involved.

Readings were taken to determine deflections, rotations, change in alignment, displacements in the bearing pads, strains at critical locations, and force in the anchor tendons and diagonal tendons. Crack surveys were made at each increment of load. Theoretical models using conventional beam theory and finite element analysis extended into the inelastic range were used to predict values that could be compared with experimental values.

Since segmental construction extends the span length of prestressed concrete, the results of the segmental bridge research can be used for construction of longer, more economical bridges.

## ANALYSIS OF RAILROAD MAINTENANCE-OF-WAY EXPENDITURES

A recent study at the Pennsylvania Transportation Institute of The Pennsylvania State University investigated the decision-making process for railroad maintenance-of-way expenditures. This process is influenced by federal track safety regulations and procedures. Federal standards were formulated to reduce track-related accidents by imposing speed restrictions in accordance with track conditions. It was thought that speed restrictions on high-density rail lines in need of repair would force owners to increase maintenance expenditures in order to avoid the higher operating costs of running trains at slower speeds. If higher operating costs were not sufficient to stimulate increased maintenance spending, then lower train speeds at least would enhance safety.

A second objective of the study was to predict the impact of changes in safety regulations on railroad track maintenance spending. The findings of this study suggested that the standards have had their predicted impacts on both maintenance spending and train speeds; however, it is not clear whether the standards have actually reduced the probability of track-related accidents.

As an extension of the earlier study, Pennsylvania Transportation Institute researchers are currently working on the formulation of a weighted track quality and use index. Such an index will provide a meaningful basis from which to predict accident probability. Further, the index will provide insights into which maintenance expenditures have the most effect on reducing the frequency of track-related accidents.

## AN AUTOMATED RATING PROCEDURE FOR PAVEMENT SURFACE ROUGHNESS

The Pennsylvania Transportation Institute of The Pennsylvania State University undertook a study on an automated rating procedure for pavement surface roughness. The study was divided into three tasks.

The first task, encompassing the largest percentage of the work, involved the automation of the collection and prcessing of roughness data. This task involved using a microprocessor-based data acquisition system, called the Penn State Automatic Road Meter (PSARM), which was developed as a replacement for the Mays Ride Meter currently used by many state highway departments. This system offers several important features: automatic reduction of strip chart-recorded data; streamlining of event identification--the type, location, and duration of any event is stored directly onto a tape with the push of a button; and operation that is completely independent of the vehicles' electrical system. The raw data is preprocessed digitally into inches per mile in integer form onto a digital tape for final processing by a central computer.

A second task involved the correlation of the Mays meter and a simple survey profilometer. Both instruments were simultaneously mounted in the same vehicle, and a correlation of the two was run. It was found that the limits of measurement were the use of one of the vehicle tires as the sensing transducer.

The last task was a continuing refinement of the Pennsylvania Department of Transportation's road rating system. A methodology was developed that used road profiles and measured seat accelerations of a vehicle to find the transfer functions of that vehicle for the purposes of ride quality studies. The last part of the third phase involved some initial studies into the roughness traction loss on the Penn State Circular Track Apparatus.

The automated rating procedure offers considerable advantages over current systems in cost-effectiveness, ease of use, and resolution. It also requires a minimum of operator training.

## EVALUATION OF POTHOLE REPAIR STRATEGIES

The repair of potholes is a major item in the budget of highway departments in the northern United States. An effective strategy for repairing potholes is imperative if maximum benefit is to be obtained from the limited financial resources available.

A study was undertaken at The Pennsylvania State University to evaluate pothole repair technology and to recommend technologies to the Pennsylvania Department of Transportation. Six different repair operations were identified--material mixing and transportation, cutting, cleaning, tacking, filling, and compaction. Procedures and equipment for completing each of these operations were identified and studied in the field. The effect of alternative repair procedures and equipment on the productivity of the crew and on the quality of the repair also was studied. The Department adopted a new repair policy, based in part on the results of the research, and the University and the Department held two joint training sessions using training material developed in the research.

Currently, field evaluation of various equipment and practices is taking place. A compaction study has been completed and changes in compaction procedures have been recommended. On-site heating equipment and hot storage units are being analyzed, and hole geometry, paving condition, and traffic levels are being studied to determine the maximum size hole that can be repaired successfully with cold stockpile mix.

## A STUDY OF FLEXIBLE BASE COURSES AND OVERLAY DESIGNS

The Pennsylvania Transportation Research Facility is a full-scale, experimental highway primarily designed for testing pavements and other highway appurtenances. The facility also provides a means to examine various technical facets of highway transportation, including pavement overlays and bridge designs; skid resistance, roughness, and other tire-pavement phenomena; vehicle components; and driver responses. In addition to pavement research, other topics of study at the facility have included the design and construction of an experimental segmental bridge, hydroplaning, tire noise, and tire wear.

The physical plant for the facility is a one-mile oval track, one highway lane in width. The large curve is on a -1.0 percent grade and has a design speed of 45 mph. The small curve is on a +1.0 percent grade and has a design speed of 35 mph. The tangents, one totally in cut and the other totally in fill, have a grade of 0.3 percent and are 1,000 feet long. The facility was constructed using standard techniques, and the properties of the pavement materials were thoroughly tested and documented. Pavement conditions are evaluated using the road rater, Benkelman Beam, profilograph, profilometer, rut depth gauge, and other instruments. The test vehicle consists of a tractor, three full trailers, and a triaxle trailer. Approximately 3,600 load passes can be applied each week, thus greatly accelerating the life cycle of the pavements.

Between 1971 and 1974, the first cycle of pavement research was conducted, with the objectives of developing structural coefficients for four base course materials and evaluating the ability of existing pavement damage models to predict performance. The first-cycle test pavements were trafficked by approximately 1.1 million 18,000-lb. equivalent single-axle loads.

In the second cycle of research, which began in April 1975, four of the original test sections were replaced by eight shorter sections. The second cycle of traffic operation resulted in the application of an additional 1.3 million 18,000-lb. equivalent single-axle loads. Since only one test section was considered to have failed during the first cycle, two of the second-cycle research objectives were continuations of those in the first cycle. Additional objectives included determining the effect of base course thicknesses on base course structural coefficients (using the newly constructed sections), validating Pennsylvania's overlay design procedure by overlaying and monitoring individual sections as they failed, and evaluating the effect of heavy axle loads on pavement performance.

The facility was recently reconstructed for a fourth cycle of research in which the existing pavements were replaced with new pavement sections. The new test sections include both cold and hot mix asphaltic recycled materials. Some sections include various permeable subbase mixtures for a study of drainage. An entire section of the facility was prepared for rigid pavement research, and other sections will be devoted to skid resistance and roughness research.

The availability of a full-scale test track has made research easier, produced more consistent testing conditions, and saved a great deal of time and money in evaluating new materials and techniques.

## TRAIN CREW STUDY

A research project at the University of Pennsylvania has analyzed labor costs. During the past three decades, labor cost has become the dominant operating cost item for transit agencies. Through numerous innovations in operations (primarily fare collection and passenger handling at stations), vehicle design (automation, articulated vehicles) and increased transit speeds (right-of-way separation from other traffic), productivity of operating personnel in rail transit has been drastically increased on many systems since the 1950s.

Existing transit systems in many U.S. cities, however, have not followed this trend. Most older rail systems still operate with labor practices from many decades ago. The report examines the present labor practices (train crews and their duties) on the three rail transit modes--streetcar/light rail transit (LRT), rail rapid transit (RRT) and regional (commuter) rail (RGR). Its main purpose is to show possible increases in labor productivity and define available measures to achieve these increases.

All crew duties are listed and described. They range from the basic duties of driving and collecting fares to the more specialized ones used on a few systems only, such as reporting train arrival to the dispatcher. Possible ways of performing each duty are then defined, many of them varying from full automation to purely manual.

Following an analysis of the reasons for and benefits from train crew reductions, practices on each mode are examined in depth.

The most dramatic increase of labor productivity on any transit mode has taken place on streetcars/LRT systems in the last 20 years. Streetcar trains consisting of three two-axle cars with four-person crews which traveled at some 12 km/h have been gradually changed to two-car trains with high-capacity eight-axle articulated vehicles operated by the driver only (self-service fare collection) running on separate rights-of-way at some 25 km/h. This conversion from streetcars to LRT has resulted in a 20-fold increase in the labor productivity of operating personnel.

In several U.S. cities (Boston, Cleveland, San Francisco), LRT systems still have an attendant in each car when multicar trains are operated. Rather simple measures are proposed to eliminate these attendants.

Most existing rapid transit systems (New York, Chicago, Philadelphia, and Boston) could change their operations from two- to one-person crews. The changes required to do this are described and their feasibility is examined in considerable detail for a rapid transit line in Philadelphia. It is found that rather small changes would result in savings of up to 30 labor positions during peak hours, or doubling of service frequencies during off-peak hours.

By far, the greatest benefits from modernization of operating practices and train crew reductions can be achieved on RGR systems. On many systems, no effort has been made to modernize operations for several decades. Opposition from labor unions has been one reason, but many managements have made no efforts to introduce innovations either.

Utilizing an example of a very labor-intensive RGR operation in Philadelphia, it is shown that a number of crew functions can easily be changed to require less labor. For example, station announcements and the opening and closing of automated doors can be done by the driver. Certain reductions of crews can thus be achieved relatively easily. Additional crew reductions, down to two members, require more substantial changes, such as raising platform levels or introducing ticket-vending machines.

The "institutional" problem, i.e., acceptance of modernization by labor unions, should be approached through rational negotiations. The fact must be understood that in many cities the financial problem is such that continuation of the present practices is not a viable alternative. The alternatives thus may be modernization or discontinuation of the services. Reduction of jobs can be ameliorated by increased frequency of services, resulting in increased ridership and higher revenues.

It is concluded that considerable increases in productivity of operating personnel (train crews) on rail transit systems can be achieved in many cities with feasible modifications of current practices.

## URBAN MOBILITY

The conclusions of the major freeway building program of the 1960s, together with a rapidly expanding economy in the 1970s, combined to make Houston one of the most congested cities in the United States. Houston and other Sunbelt cities, while they were located strategically on railroads, developed long after the automobile became the primary mode of people transport. The railroads serve a major goods movement role, but a limited people movement role.

Sunbelt cities are following the same history as Houston that saw its freeway lane mileage, which grew at an annual rate of 15 percent in the 1960s, decline to less than 3 percent during the 1970s. At the same time, urban vehicle miles of travel expanded by almost 7.5 percent each year during the 1970s. These two forces, along with no fixed guideway transit, combined to create critical problems in Houston and severe problems in other Sunbelt cities.

Researchers at the Texas Transportation Institute at Texas A&M University, supported by the City of Houston, the State Department of Highways and Public Transportation, and the Houston Metropolitan Transit Authority, following its creation, began investigating the problem in the mid-1970s. It was decided that the first task should be to get the greatest people movement possible out of the existing transportation system. Later steps would be to include building of an additional rail system to supplement the freeway system.

The first solutions opened in 1981 with the world's longest contraflow lane on the only radial freeway in Houston capable of supporting contraflow. That lane now carries more people in the peak hours than two conventional freeway lanes. Construction has now begun on exclusive high occupancy vehicle lanes on three radial freeways. One of these is to replace contraflow in order to improve operations and reduce cost. Plans for facilities and operations are being developed for other radial freeways and some circumferential freeways. Texas Transportation Institute studies have shown that the implementation of the research has resulted in more than seven dollars of benefit for each dollar of construction cost.

## WET WEATHER SAFETY

Over the past ten years, engineers at the Texas Transportation Institute at Texas A&M University have made major strides in understanding and developing countermeasures for the skidding accident. Most of these events take place on wet pavements where tire pavement friction is greatly reduced.

Factors that enter into the problem, along with reduced pavement friction, are reduced visibility and the ultimate wet weather problem, full dynamic hydroplaning. Reduced visibility results in reduced perception reaction time, calling for more extreme avoidance or emergency maneuvers. To accomplish these more extreme maneuvers requires more tire pavement friction at exactly the time when this friction is minimized.

Using devices such as rainfall simulators, the reduction in visibility has been quantified and documented; training materials have been developed including nationally circulated films showing how drivers can accommodate the problem.

Hydroplaning, a car actually skiing on top of a layer of water on the pavement surface, was another significant and widely misunderstood phenomenon. Overcoming this problem was largely a matter of understanding it and applying surface designs and construction methods to make this phenomenon a very improbable occurrence.

Pavement and geometric design criteria to minimize hydroplaning have been developed by federally-funded research and have been published nationally, resulting in major changes in pavement design and construction practices.

Rejecting the traditional view of specific levels of skid resistance, predictive methods have been developed that show highway engineers where the resurfacing funds can best be spent to lower wet weather accident rates. The payoff is rapidly becoming very significant. Recent predictions indicate a savings of over $2 billion in accident costs by 1986 if the average pavement skid resistance can be increased by ten points, a goal that is definitely achievable.

## ROADSIDE SAFETY

In the mid-1960s, a growing awareness in the highway engineering community resulted in a commitment to make highway roadsides safer. As it became known that over 40 percent of the automotive fatalities were the result of single vehicle run-off-road accidents, and that a great number of these vehicles found, as their ultimate destination, a man-made obstacle, engineers and researchers began trying to devise cures for this problem.

Automobiles, leaving the proper driving lanes for whatever reason, were impacting sign supports, highway lighting supports (luminaires), culvert head walls, bridge piers, and the most spectacular of our man-made obstacles, the solid concrete walls placed where roadways separate on elevated interchanges, aptly called "elevated gores."

The first breakthrough was a "breakaway," the breakaway ground mounted sign. The large signs on the nation's interstate system were mounted on steel wide flange beams that did not move when struck by an automobile. The result was complete destruction if the automobile was moving at highway speeds, destruction of both the vehicle and its unfortunate occupants.

First with individual state sponsorship and then with federal research funds, this problem was attacked and solved. Today, it is not advised, but it is reasonably safe to drive off the pavement and directly into the steel supports of an interstate highway sign. The shear plates, close to the ground, will slip, the hinge points above the impacting vehicle will activate, and the leg of the sign will rotate away, up and over, while the vehicle moves through with only minor damage.

The same principles were applied to luminaire supports, with either a slip base or an aluminum base designed to slip or fragment in response to a vehicle impact.

In the spring of 1968, researchers developed the first truly effective automobile crash cushion. The crash cushion was composed of 33 steel oil drums which stopped a four-door sedan traveling 60 mph in 13 feet of stopping distance. The crash cushion did not even break the headlight on the car. These crash cushions were installed at elevated gores on Texas freeways in the Fall of 1968 with gratifying results. During the past 10 years, these and other types of crash cushions have been installed in all 50 states and several foreign countries.

During the 1970s, the lethal culvert headwall came under attack. These drainage structure inlets were designed to meet hydraulic criteria in a period when little regard was given to safety criteria. New designs have been rapidly developed. Today you must look closely at the roadside to find the structures. They no longer jut above the ground surface, but conform, allowing errant vehicles to run smoothly over them, while still performing their major function, transmitting water. The difficult part was to accomplish this objective economically.

A philosophy has been developed for roadside safety. "If it can be moved away from the traffic lanes, move it. If it can't be moved, make it breakaway under impact. If you can't make it breakaway, put a "crash cushion" in front of it."

Following these precepts, highway engineers and researchers have made the roadsides safer than ever before in our automotive transportation history. It is estimated that breakaway signs, luminaire supports, crash cushions, and redesigned draining structures have saved over 19,000 lives and $5.5 billion in reduced accident costs through the nation.

# STATEMENT OF GEORGE EBERSOLE TO THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

March 20, 1984

## CRASH ATTENUATION SYSTEMS -- A REVIEW

Mr. Chairman, I am George Ebersole, President of Energy Absorption Systems, a manufacturer of highway crash cushions. Crash cushions are protective systems which prevent errant vehicles from impacting road side objects by either smoothly decelerating vehicles to a stop when they are hit head on, or by redirecting vehicles away from the hazard for glancing impacts. Objects that cannot easily or economically be removed, relocated or made break-away are protected in this manner. They include: bridge abutments, overpass piers, overhead sign supports, lane dividers, traffic islands and toll booths. Crash cushions have become common place on our highways.

Before the development of crash cushions, many of these road side objects could not be shielded at all, and others could only be partially shielded by barriers. Studies indicate that crash cushions are considerably more cost effective than conventional longitudinal barriers in many instances. The relatively low cost and high safety payoff they offer justified national emphasis on their installation.

Stanford Research Institute issued a study in 1978 (Impact Attenuators: A Market Analysis conducted by Ruth Lizak) indicating that approximately 3,000 attenuators were then in use. More recent studies, conducted by Energy Absorption Systems, indicate that in 1983 some 15,000 to 20,000 crash cushions were in use on U.S. highways.

## ARE CRASH CUSHIONS EFFECTIVE?

Recent Highway Safety Stewardship Reports from the Secretary of Transportation to the United States Congress have shown that crash cushions have been the second most benefit/cost effective safety device. Their benefit/cost ratio has always been in the top 50% of all categories.

Various states and research organizations have conducted their own evaluations of crash cushions which have also demonstrated their effectiveness. Two such reports, copies of which I am attaching to my statement, became available in 1983. The State of Wisconsin concluded that, "It is evident that more than 150 people (in 584 accidents over an 11 year period) would have been seriously injured or killed if crash cushions had not been installed." The Texas Transportation Institute concluded that, "Crash cushions reduce fatalities by 78%, and injuries by 27%." Extension of these statistics shows that crash cushions save thousands of lives and injuries per year.

## RETROFITTING THE SYSTEM

Most current crash cushions were designed and tested with passenger vehicles ranging from 2,250 to 4,500 pounds. The vehicle population on United States highways has undergone a significant change in the last ten years. The downsizing of automobiles has produced a proportionately larger segment of the present car population in the 1,800 to 2,250 pound weight range. As currently designed, crash cushions may not provide the most desirable response when impacted by these vehicles.

Crash cushions are designed to match the forces placed on them by the vehicles which impact them. The typical crash cushion on our highways today is approximately ten years old and was designed in a manner that was appropriate to the larger and heavier vehicles that were being built before the 1973 oil embargo. When today's lighter cars hit these cushions, less momentum is imparted than that for which the cushion was designed. The resulting resistance of the cushion on the vehicle is much greater than anticipated in the original design. This stiffer response subsequently increases the "g" levels to the occupants, thereby increasing the danger to them. If the number of light weight vehicles in the car population remains constant or increases, the benefit/cost ratio of the crash cushions now in use may decrease.

We know from the reports cited previously that crash cushions perform a valuable safety function. They have evolved just as the automobile has. Retrofits can be designed to adjust for the reduced inertial forces and momentum that occur with the downsized vehicles. This retrofitting will insure that existing crash cushions are as safe for the 1,800 pound cars of today as they were for the much heavier vehicles for which they were originally designed.

To maintain their safety and effectiveness, it is imperative that the Department of Transportation in each state be encouraged to undertake a program as quickly as possible to upgrade the crash cushions now on their highways. This program should consist of a review of the inventory crash cushions now in place, an analysis of which of them needs to be retrofitted to meet today's downsized fleet, and an upgrading of that equipment.

The Congress should take the initiative by encouraging, and mandating if necessary, the states to implement this program, which will allow crash cushions to continue their record of saving lives and preventing serious injuries on our nation's highways.

Mary P. Miller
5650 North Sixth St.
Arlington, VA 22205

March 14, 1984

Senator Steve Symms, Chairman Sub-Committee
Transporation, Environment, and Public Works
Dirksen Senate Office Building
Washington, D. C. 20590

Re: Sec. 163 of P.L. 97 - 424 (HOV rule and motorcycles)

Dear Senator Symms:

Please let me know if I have misinterpreted Section 163 which you introduced into the law (P.L. 97-424, sec. 163, enacted on January 6, 1983). According to this, the states are required to allow the use of motorcycles on roads as I-66 with HOV in effect, unless the individual states certify that such use creates a unique safety hazard. To my knowledge the state of Virginia has not shown any certification, such as this, to the Secretary of Transportation of the United States.

Also to my knowledge, Virginia Highway has been and still is receiving federal funds for the construction and regrading of Interstate-66, east of the Capital Beltway. Three specific examples are:

> (1) Federal funds have been used within the past year for construction of I-66, inside the beltway. (2) Federal funds have been recently appropriated for immediate construction of a concrete skidpath to be part of I-66 inside the beltway and for upgrading of the lights on this this portion of I-66 which is necessary to meet the light height specifications. (3) Federal officials have recommended regrading of a five-mile stretch of I-66 inside the Capital Beltway, due to a significant safety deficiency on this segment; (metro tracks and the roadway are separated by a grassy area which actually slants upward toward to metro tracks and covers much of the barrier which is a requirement in I-66 specifications). Federal Highway Administration stated in November, 1983, that it would cost at least $500,000 and possibly several million dollars for this project and that federal aid is expected to cover 90 percent of the cost of this or any project undertaken as a result of the November 7, 1983 accident which was the second major one with a vehicle landing on the train tracks, (the other was in Cheverly and improvements were made afterwards).

As a resident of Arlington, Virginia, it appears to me that the HOV sign should not apply to motorcycles, due to the Federal government's concern for fuel and space efficiency on the highway, as well as for safety factors which are involved. Personally, my motorcycle is the only transportation mode I have to my evening job in Fairfax, and with my motorcycle I am presently avereging 68 miles per gallon. I try to always drive defensively; however, being forced to ride my motorcycle on Rt. 50 W and Rt. 7W during the evenging rush hours, it is not always easy. Do you agree with the National Highway Traffic Safety Administration that motorcycles would be much safer on limited access highways than in cross-city traffic?

If you could, please let me know if it is presently legal for my friends and for me to ride on I-66 during HOV-3 hours. If it is not legal, then when do we expect it to become legal? Many motorcyclists I know in Fairfax and in Arlington are confused with this law and would like more information on it.

With your share in the Senate Hearing, are you able to help in promoting the use of motorcycles on I-66 during HOV-3 in effect? Please let me know how you can help and also if there is anything I could do in order to help in the behalf of concerned motorcyclists. Thank you.

Also, if it would be of benefit in this issue, I would like this letter to be included in the testimony for the hearing on S.T.A.A. Thank you.

Sincerely,
Mary P. Miller
Mary P. Miller
(703)522-3591

cc: AMA

**NADO**

**NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS**
*400 North Capitol Street, N.W., Suite 372, Washington, D.C. 20001 202-624-7806*

April 9, 1984

The Honorable Steven D. Symms
Chairman
Senate Transportation Subcommittee
SH-415 HSOB
Washington, D.C.

Dear Chairman Symms:

Although we have not testified before the Transportation Subcommittee on rural highway needs and related issues, we would appreciate your attention to the question of whether rural communities have been and are being left in economic backwaters by virtue of federal-aid highway corridor location and construction expenditure patterns. Given the fact that rural residents pay more federal motor fuel tax per capita than do the citizens of major urban areas, we are concerned that rural communities tend to be bypassed by the type of highway most conducive to economic development.

Without reasonable proximity to modern four-lane highways, rural communities are finding it virtually impossible to foster or attract needed economic growth. While the Subcommittee and the Committee have dealt with this problem in the past, it continues to plague the preponderance of rural communities, with clearly undesirable results.

We feel that as a matter of economic equity rural areas should receive federal-aid highway assistance at least in proportion to their per capita contributions to federal motor fuel tax receipts. To this point, we request that the Subcommittee mandate a study comparing federal fuel tax receipts and federal-aid highway expenditures in rural areas on a state-by-state basis, to determine whether rural residents are being treated fairly.

We also feel that it is only fair that rural local governments be given the same opportunity as metropolitan local governments to plan for needed transportation improvements within their areas and to deal on a more nearly equal footing with state transportation officials. To this point, we request that the Subcommittee adopt language amending Sections 104(f) and 134 of Title 23 to authorize and support nonmetropolitan areawide transportation planning.

If you would like more specific information on the problems faced by rural areas and our association's recommendations for change, please contact Aliceann Wohlbruck, NADO's Executive Director at 624-7806. Enclosed is a copy of testimony describing rural problems which was presented to the House Surface Transportation Subcommittee by the Chairman of NADO's Transportation Committee.

Sincerely yours,
Chris Page
Chris Page
President

cc: Members of the Subcommittee

| PRESIDENT | FIRST VICE PRESIDENT | SECOND VICE PRESIDENT | SECRETARY | TREASURER | IMMEDIATE PAST PRESIDENT | EXECUTIVE DIRECTOR |
|---|---|---|---|---|---|---|
| Chris Page<br>Saint Albans<br>Vermont<br>(802) 524-4546 | Charles Howell<br>Macon<br>Georgia<br>(912) 744-6160 | David Martin<br>Duluth<br>Minnesota<br>(218) 722-5545 | Vernon R. "Randy" Kelley<br>Pontotoc<br>Mississippi<br>(601) 489-2415 | Donald Gibbs<br>Wichita<br>Kansas<br>(316) 838-1424 | Rachel Dobscha<br>Ogallala<br>Nebraska<br>(308) 284-6077 | Aliceann Wohlbruck |

NADO

**NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS**
*400 North Capitol Street, N.W., Suite 372, Washington, D.C. 20001 202-624-7806*

Statement of:

Ed Bodenhamer, Executive Director

Southeast Georgia Area Planning and Development Commission

Waycross, Georgia

On Behalf of

The National Association of Development Organizations

Before the

Subcommittee on Surface Transportation

Committee on Public Works and Transportation

U.S. House of Representatives

On

The Surface Transportation Act

February 8, 1984

| PRESIDENT | FIRST VICE PRESIDENT | SECOND VICE PRESIDENT | SECRETARY | TREASURER | IMMEDIATE PAST PRESIDENT | EXECUTIVE DIRECTOR |
|---|---|---|---|---|---|---|
| Chris Page<br>Saint Albans<br>Vermont<br>(802) 524-4546 | Charles Howell<br>Macon<br>Georgia<br>(912) 744-6160 | David Martin<br>Duluth<br>Minnesota<br>(218) 722-5545 | Vernon R. "Randy" Kelley<br>Pontotoc<br>Mississippi<br>(601) 489-2415 | Donald Gibbs<br>Wichita<br>Kansas<br>(316) 838-1424 | Rachel Dobscha<br>Ogallala<br>Nebraska<br>(308) 284-6077 | Aliceann Wohlbruck |

# STATEMENT OF ED BODENHAMER, PAST PRESIDENT, ON BEHALF OF THE NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS BEFORE THE U.S. HOUSE OF REPRESENTATIVES PUBLIC WORKS AND TRANSPORTATION COMMITTEE, SUBCOMMITTEE ON SURFACE TRANSPORTATION, FEBRUARY 8, 1984.

## INTRODUCTION

Mr. Chairman, members of the Subcommittee on Surface Transportation, I am Ed Bodenhamer, Executive Director of the Southeast Georgia Area Planning and Development Commission, which is headquartered in Waycross, Georgia adjacent to nature's loveliest creation, the Okefenokee Swamp Wilderness Area. I am testifying today on behalf of the National Association of Development Organizations.

## NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

The National Association of Development Organizations was founded in 1967 by officials representing scores of rural governments holding membership in economic development districts throughout the country. The Association was formed to promote economic development in smaller cities, counties and rural areas. Today our members include economic development districts, other multi-county planning and development organizations, and state and local agencies which help local governments and the private sector to create jobs, particularly in rural America.

Representatives of our Association have testified many times before the various subcommittees of the Committee on Public Works and Transportation on matters of interest to the local governments and private businesses we represent. We are deeply grateful for the warm and sympathetic audiences we have received. We are particularly appreciative that members of the committee have ensured that the interests of rural America are not forgotten in the framing of legislation handled by the Committee.

I have been privileged to testify before the Subcommittee on Economic Development on which some of you sit. This gives me first hand knowledge of the fair and even handed manner in which members of this Committee address the often divergent needs of the various segments of our great American society.

It's a great pleasure to have the opportunity to visit again today for the purpose of bringing to your attention and briefly discussing with you what many in rural America consider to be a very serious inequity in the expenditure of monies from the Federal Highway Trust Fund.

## EFFECT OF INTERSTATE HIGHWAYS ON PATTERNS OF ECONOMIC DEVELOPMENT

Mr. Chairman, one of the real phenomena of the second half of the twentieth century has been the effect of the Interstate Highway System on the patterns of economic development in our country. A full assessment of the effect must wait until the next century when the system has been completed long enough for its total impact to be quantitatively evaluated.

There is sufficient evidence already available, however, to conclude that the Interstate Highway System has had, and will continue to have for decades to come, the most profound effect on the patterns of economic development in our country of any single event in our history.

The approximately sixty billion dollars ($60,000,000,000) which have already been expended on the system make it the largest single public works project ever undertaken by any peoples anywhere. The additional twenty-two billion dollars ($22,000,000,000) which are authorized for expenditure during Fiscal Years 1984 through 1986 for Interstate Construction, Interstate 4-R and Interstate Substitute Highways will intensify the system's impact on economic development patterns.

One piece of evidence which gives an indication of the magnitude of the impact the system is having on patterns of development comes from a study by Conway Research, a highly respected plant location consultant. Researchers at Conway asked decision makers of several hundred companies who had recently made locational decisions for new manufacturing plants to list the important factors they considered in their locational decisions.

The responses from the manufacturers covered the gamut of locational determinants; from labor supply to proximity of markets to local tax rates and on and on. The most significant finding of the study was that of all factors entering into the locational decisions, proximity to the Interstate Highway System was listed more than twice as often as any other factor.

Another bit of evidence which shows the impact of the Interstate Highway System on patterns of economic development can be found by examining industrial locations in the State of Georgia during the past ten years. In Georgia, of all the new manufacturing jobs created during that period, nearly ninety percent (90%) of them are in manufacturing plants located within ten miles of an Interstate Highway or a highway built to similar standards. Similar development patterns are found in nearly all states.

There are one hundred fifty-nine (159) counties in Georgia, Mr. Chairman, but only sixty-one (61) of them are served by the Interstate Highway System. Those sixty-one (61) counties contain only sixty-nine percent (69%) of the state's population but they are the site of nearly ninety percent (90%) of all new jobs. The other ninety-eight (98) counties, containing thirty-one percent (31%) of the population, must content themselves with only slightly more than ten percent (10%) of the new jobs created.

## POPULATION SERVED AND NOT SERVED BY INTERSTATE HIGHWAY SYSTEM

Attached to each copy of my testimony are three tables of information about the Interstate Highway System on a state-by-state basis. I believe that these tables may be helpful to you in understanding the concerns those of us in NADO have about expenditures from the Highway Trust Fund.

Table 1 shows the number of counties in each state which are and which are not directly served by the Interstate Highway System. It also shows the combined populations of the counties which are and which are not served by the system.

Throughout the entire country, a total of 1,275 counties and 33 independent cities are served by the Interstate Highway System while a total of 1,818 counties and 5 independent cities are not served. 179,430,000 persons, or eighty percent (80%) of the population, are directly served by the system while 47,075,000 persons, or twenty percent (20%) of the population, are not directly served.

## RURAL AREAS ARE UNDERSERVED

Table 2 shows that rural counties with populations of fifty thousand (50,000) or less are not nearly so fortunate in terms of service by the system as are larger counties.

Of the 2,343 counties having populations of 50,000 or less, only 710 are served by an Interstate Highway. These 710 counties contain only thirty-seven percent (37%) of the population of all such rural counties.

## URBAN AREAS DISPROPORTIONATELY SERVED

On the other hand, Table 3 shows that of the 791 counties having populations of 50,000 or more, 598 of them are served by an Interstate Highway. The 598 counties contain eighty-nine percent (89%) of the population of all such urban counties.

Thus, eighty-nine percent (89%) of all urban residents are served by the Interstate Highway System while only thirty-seven (37%) of all rural residents are served by the system.

## RURAL MOTORISTS PAY LARGE SHARE OF HIGHWAY-USE TAXES

An examination of motor fuel tax collection records in the State of Georgia reveals that per capita motor fuel tax collections are higher in rural counties than in urban counties. On a statewide basis, per capita collections of motor fuel taxes in counties with less than 50,000 population are approximately twenty-five percent (25%) higher than in larger counties.

Such a finding should not be surprising since nearly all rural residents are totally dependent on private vehicles for transportation and since the sources of goods and services in rural areas are widely dispersed. In urban areas, on the other hand, public transportation satisfies many transportation needs and sources of goods and services are concentrated rather than dispersed.

Assuming that the same factor of 25% greater fuel usage holds true throughout the country, the 42,353,266 residents of counties with populations of 50,000 or less pay approximately twenty-two percent (22%) of total motor fuel and other highway-use taxes collected.

## PROGRAM EXPENDITURES WEIGHTED TOO HEAVILY IN FAVOR OF URBAN AREAS

Of the 179,430,000 people directly served by the Interstate Highway System, 163,713,000, or 91.2%, live in urban areas while only 15,717,000, or 8.8%, live in rural areas though rural residents pay more than twenty percent (20%) of all the highway-use taxes collected by the Federal Government.

## OTHER HIGHWAY PROGRAMS ALSO HAVE URBAN ORIENTATION

The Interstate Highway System is not the only highway program which contains built-in biases in favor of urban residents. Even funds from the Secondary (Rural) program allocation are used in large urban areas. The same is true of funds from the primary program. In fact, we estimate that more than ninety percent (90%) of all expenditures from the Federal Highway Trust Fund are currently being expended in counties with populations greater than 50,000 even though the residents of those counties pay less than eighty percent (80%) of all highway-use taxes.

## POOR RURAL AREAS ARE SUBSIDIZING ECONOMIC DEVELOPMENT OF AFFLUENT URBAN AREAS

Statistics compiled by the U.S. Bureau of Census clearly show a sharp demarcation between the economic strength of urban counties and rural counties. With very few exceptions, large, urban counties have much higher per capita incomes, much higher per capita retail sales and much higher per capita assessed property valuation than do smaller counties. In other words, the residents of urban counties generally have much greater ability to help themselves than do the residents of smaller rural counties.

Despite this incontestable economic fact, however, rural residents are being required to pay highway-use taxes for highways they don't use while urban residents are using highways for which they are not paying the full cost.

We estimate that rural residents pay excess highway-use taxes in the magnitude of one to one and a half billion dollars ($1,000,000,000 to $1,500,000,000) each year.

Mr. Chairman and members of the Committee, the highway-use taxes which are collected in rural America but spent in urban America are enriching the economic development efforts of urban America at the direct expense of rural America. We in rural America are being required by federal law to pay highway-use taxes which are then spent in large part to make urban America a more attractive place for private investments. In other words, WE IN RURAL AMERICA ARE BEING REQUIRED BY FEDERAL LAW TO PAY FOR OUR OWN ECONOMIC DEMISE.

We in rural America realize, Mr. Chairman, that it is impossible to build an Interstate Highway through every county in this country. We wish it were possible, but we know it's not.

It is possible, however, Mr. Chairman, to deal more fairly with rural America than is being done at present. It is possible to amend the Surface Transportation Act to require that a just percentage of all expenditures be in counties with populations of 50,000 or less regardless of whether the funds are spent on interstate highways, primary highways, secondary highways, bridges, etc.

We in rural America see the Interstate Highway System as the means to our eventual economic demise if we are not properly connected to it with a vastly improved system of primary highways. And such an improved system is eminently feasible if only rural America is given its fair share of the Federal Highway Trust Fund.

I read in an Atlanta newspaper last year that the cost of reconstructing eight (8) miles of Interstate 85 in Atlanta was costing four hundred eighty million dollars ($480,000,000) or sixty million dollars ($60,000,000) a mile. And that's for reconstruction.

I read in the same newspaper that Georgia DOT estimates the cost of completing the remaining 134 miles of Corridor Z, a 251 mile east-west priority primary highway, to be one hundred twenty-five million dollars ($125,000,000), or less than one million dollars per mile.

Similar differences in cost figures between urban and truly rural projects exist throughout the country. If rural America were given its fair share of the highway-use taxes, a magnificient system of multi-lane primary highway upgrades could be put in place to tie rural America's economy to that of urban America via the interstate system.

When the Federal motor fuel tax was only four cents (4¢) per gallon, total highway-use taxes paid by residents of counties with populations of 50,000 or less was on the magnitude of one billion, six hundred million dollars ($1,600,000,000) annually. Now that the tax has risen to nine cents (9¢) per gallon, the cost has increased to approximately two billion, eight hundred million dollars ($2,800,000,000) annually. Our highway-use tax payments have increased approximately seventy-five percent (75%) but the funds we receive in rural America for highway projects have increased hardly at all.

We don't ask that you lower the tax to its original level. We fervently implore you, however, to direct an immediate study to determine the level of collections of highway-use taxes and the level of direct expenditures from the Federal Highway Trust Fund in all counties with populations of 50,000 or less. We further ask that you direct that the study be completed in one year or less and that corrective action be taken at this time next year to ensure that a minimum percentage of all expenditures from the Federal Highway Trust Fund are in counties with populations of 50,000 or less.

We further request that the Surface Transportation Act be amended this year to extend to rural governments the same rights to participate in the planning of highways in their jurisdictions and to receive funding for such planning efforts as have for many years been extended to metropolitan governments under the provisions of Section 134 of Title 23.

Metropolitan governments have long been given a full partnership role with the state transportation agency in deciding where projects shall be located and which projects shall have priority. Rural governments, on the other hand, have been denied that role.

Now that practically every area of this country is srved by a multi-county planning and development agency which can serve as the vehicle for intergovernmental cooperation, the continued withholding of this authority from rural governments as well as the failure to provide planning funds for them can no longer be justified. That is why we want Section 134 amended.

Mr. Chairman and members of the subcommittee, thank you very much for permitting me to appear before you today to share with you a rural perspective, as it were, on the Surface Transportation Act. I'm deeply grateful for the courtesies extended to me.

## TABLE 1

## POPULATION SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Counties Served By One Or More Interstate Highways | | | Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of State Population | No. Counties | 1980 Population | Pct. of State Population |
| Alabama | 25 | 2,364,480 | 61% | 42 | 1,525,581 | 39% |
| Alaska | 0 | 0 | 0 | 24 | 400,481 | 100% |
| Arizona | 10 | 2,626,059 | 97% | 4 | 91,807 | 3% |
| Arkansas | 18 | 828,522 | 36% | 57 | 1,456,991 | 64% |
| California<br>Co | 28 | 19,096,752 | 81% | 30 | 4,571,828 | 19% |
| Colorado | 24 | 2,550,201 | 88% | 39 | 338,633 | 12% |
| Connecticut | 7 | 2,299,810 | 74% | 1 | 807,766 | 26% |
| Delaware | 1 | 399,002 | 67% | 2 | 196,223 | 33% |
| Florida | 44 | 9,100,195 | 93% | 23 | 639,797 | 7% |
| Georgia | 61 | 3,767,541 | 69% | 98 | 1,696,724 | 31% |
| Hawaii | 1 | 762,874 | 79% | 3 | 202,126 | 21% |
| Idaho | 13 | 473,845 | 51% | 31 | 470,090 | 49% |
| Illinois | 56 | 10,326,896 | 90% | 46 | 1,091,565 | 10% |
| Indiana | 52 | 4,405,427 | 80% | 40 | 1,084,752 | 20% |
| Totals This Page | 340 | 59,001,604 | 80.2% | 440 | 14,574,364 | 19.8% |
| Cummulative Totals | 340 | 59,001,604 | 80.2% | 440 | 14,574,364 | 19.8% |

Page 1 of 4 Pages

## TABLE 1

## POPULATION SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Counties Served By One Or More Interstate Highways | | | Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of State Population | No. Counties | 1980 Population | Pct. of State Population |
| Iowa | 30 | 1,526,131 | 52% | 69 | 1,387,256 | 48% |
| Kansas | 30 | 1,505,233 | 64% | 75 | 857,975 | 36% |
| Kentucky | 40 | 2,114,660 | 58% | 80 | 1,546,773 | 42% |
| Louisiana | 30 | 3,193,247 | 76% | 34 | 1,010,725 | 24% |
| Maine | 6 | 627,847 | 55% | 10 | 496,803 | 45% |
| Maryland | 11 | 3,705,926 | 88% | 13 | 510,520 | 12% |
| Massachusetts | 11 | 5,575,083 | 97% | 3 | 161,954 | 3% |
| Michigan | 35 | 7,869,534 | 85% | 48 | 1,388,810 | 15% |
| Minnesota | 28 | 2,965,177 | 73% | 59 | 1,111,971 | 27% |
| Mississippi | 28 | 1,358,129 | 54% | 54 | 1,162,508 | 46% |
| Missouri | 39 | 3,674,834 | 75% | 75 | 1,242,610 | 25% |
| Montana | 27 | 528,981 | 67.2% | 30 | 257,709 | 32.8% |
| Nebraska | 16 | 921,410 | 59% | 77 | 648,596 | 41% |
| New Hampshire | 5 | 673,945 | 73% | 5 | 246,665 | 27% |
| Totals This Page | 336 | 36,240,137 | 75% | 632 | 12,030,875 | 25% |
| Cummulative Totals | 676 | 95,241,741 | 26.3% | 1,072 | 26,605,239 | 73.7% |

Page 2 of 4 Pages

## TABLE 1

## POPULATION SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| STATE | Counties Served By One Or More Interstate Highways | | | Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| | No. Counties | 1980 Population | Pct. of State Population | No. Counties | 1980 Population | Pct. of State Population |
| Nevada | 9 | 706,206 | 88% | 7 | 92,978 | 12% |
| New Jersey | 17 | 6,838,788 | 93% | 4 | 525,370 | 7% |
| New Mexico | 18 | 876,827 | 67% | 14 | 423,041 | 33% |
| New York | 44 | 15,333,944 | 87.3% | 18 | 2,223,344 | 12.7% |
| North Carolina | 37 | 3,797,599 | 64.6% | 63 | 2,076,830 | 35.4% |
| North Dakota | 13 | 348,485 | 53% | 40 | 304,210 | 47% |
| Ohio | 48 | 9,158,293 | 85% | 40 | 1,639,126 | 15% |
| Oklahoma | 28 | 2,033,136 | 67.2% | 49 | 1,011,373 | 32.8% |
| Oregon | 20 | 2,192,938 | 83% | 16 | 439,725 | 17% |
| Pennsylvania | 44 | 10,496,188 | 88.5% | 23 | 1,370,540 | 11.5% |
| Rhode Island | 3 | 818,829 | 86% | 2 | 128,325 | 14% |
| South Carolina | 27 | 2,134,819 | 68% | 19 | 984,389 | 32% |
| South Dakota | 17 | 273,629 | 40% | 49 | 416,548 | 60% |
| Tennessee | 46 | 3,680,390 | 80% | 49 | 910,360 | 20% |
| Totals This Page | 371 | 58,670,828 | 82.4% | 393 | 12,546,159 | 17.6% |
| Cummulative Totals | 1,047 | 153,912,568 | 79.7% | 1,465 | 39,132,155 | 20.3% |

Page 3 of 4 Pages

## TABLE 1

## POPULATION SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Counties Served By One Or More Interstate Highways | | | Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of State Population | No. Counties | 1980 Population | Pct. of State Population |
| Texas | 96 | 11,229,349 | 78.9% | 158 | 2,998,984 | 21.1% |
| Utah | 16 | 1,299,409 | 89% | 13 | 161,628 | 11% |
| Vermont | 8 | 362,665 | 71% | 6 | 148,791 | 29% |
| Virginia | 73* | 4,103,114 | 76.7% | 63** | 243,165 | 23 |
| Washington | 15 | 3,425,018 | 83% | 24 | 705,145 | 17% |
| West Virginia | 19 | 1,151,508 | 59.1% | 36 | 798,156 | 40.9% |
| Wisconsin | 22 | 2,975,075 | 63.2% | 50 | 1,730,260 | 36.8% |
| Wyoming | 12 | 333,674 | 71% | 11 | 137,142 | 29% |
| District of Columbia | -- | 637,651 | 100% | | | |
| Totals This Page | 261 | 25,517,463 | 78.9% | 361 | 7,923,271 | 21.1% |
| Cummulative Totals | 1,308 | 179,430,032 | 79.6% | 1,826 | 47,074,669 | 20.4% |

*Includes 40 Counties and 33 Independent Cities

**Includes 55 Counties and 8 Independent Citi

Page 4 of 4 Pages

# TABLE 2
# RURAL COUNTIES
(Population Less Than 50,000)
SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Rural Counties Served By One Or More Interstate Highways | | | Rural Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of Rural Population | No. Counties | 1980 Population | Pct. of Rural Population |
| Alabama | 13 | 347,848 | 30% | 33 | 805,464 | 70% |
| Alaska | 0 | 0 | 0 | 22 | 173,481 | 0 |
| Arizona | 0 | 0 | 0 | 4 | 91,807 | 100% |
| Arkansas | 16 | 435,028 | 33% | 50 | 900,842 | 67% |
| California | 4 | 112,761 | 27% | 15 | 304,484 | 73% |
| Colorado | 14 | 168,326 | 33% | 39 | 338,633 | 67% |
| Conneticut | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 16 | 389,285 | 59% | 18 | 268,837 | 41% |
| Georgia | 44 | 895,652 | 41% | 93 | 1,309,329 | 59% |
| Hawaii | 0 | 0 | 0 | 1 | 39,082 | 100% |
| Idaho | 10 | 151,073 | 34% | 28 | 291,972 | 66% |
| Illinois | 33 | 830,635 | 51% | 42 | 817,827 | 49% |
| Indiana | 30 | 839,127 | 49% | 37 | 830,914 | 51% |
| Totals This Page | 180 | 4,169,735 | 41% | 382 | 6,181,672 | 59% |
| Cummulative Totals | 180 | 4,169,735 | 41% | 382 | 6,181,672 | 59% |

Page 1 of 4 Pages

### TABLE 2
### RURAL COUNTIES
### (Population Less Than 50,000)
### SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Rural Counties Served By, One Or More Interstate Highways | | | Rural Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of Rural Population | No. Counties | 1980 Population | Pct. of Rural Population |
| Iowa | 22 | 413,776 | 25% | 67 | 1,236,389 | 75% |
| Kansas | 24 | 418,733 | 36% | 73 | 729,487 | 64% |
| Kentucky | 30 | 607,529 | 31% | 78 | 1,379,701 | 69% |
| Louisiana | 15 | 449,876 | 43% | 28 | 588,130 | 57% |
| Maine | 2 | 73,823 | 22% | 8 | 257,480 | 78% |
| Maryland | 0 | 0 | 0 | 9 | 232,786 | 100% |
| Massachusetts | 0 | 0 | 0 | 2 | 14,029 | 100% |
| Michigan | 10 | 195,010 | 17% | 41 | 929,130 | 83% |
| Minnesota | 18 | 527,042 | 33% | 58 | 1,059,657 | 67% |
| Mississippi | 19 | 451,252 | 32% | 51 | 975,800 | 68% |
| Missouri | 29 | 600,403 | 35% | 73 | 1,134,918 | 65% |
| Montana | 24 | 264,234 | 56.2% | 29 | 205,743 | 43.8% |
| Nebraska | 13 | 244,627 | 27% | 77 | 648,596 | 73% |
| Nevada | 7 | 50,767 | 35% | 7 | 92,978* | 65% |
| Totals This Page | 213 | 4,297,072 | 31% | 601 | 9,484,824 | 69% |
| Cummulative Totals | 393 | 8,466,807 | 35% | 983 | 15,666,496 | 65% |

*Includes 1 Independent City

Page 2 of 4 Pages

TABLE 2
RURAL COUNTIES
(Population Less Than 50,000)
SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Rural Counties Served By One Or More Interstate Highways | | | Rural Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of Rural Population | No. Counties | 1980 Population | Pct. of Rural Population |
| New Hampshire | 1 | 42,884 | 30% | 3 | 99,141 | 70% |
| New Jersey | 0 | 0 | 0 | 0 | 0 | 0 |
| New Mexico | 13 | 169,678 | 42% | 11 | 235,471 | 58% |
| New York | 7 | 285,575 | 54.1% | 8 | 242,346 | 45.9% |
| North Carolina | 10 | 306,898 | 21.6% | 50 | 1,113,470 | 78.4% |
| North Dakota | 10 | 139,327 | 36% | 39 | 245,818 | 64% |
| Ohio | 14 | 502,790 | 39% | 28 | 800,065 | 61% |
| Oklahoma | 20 | 547,350 | 40.1% | 46 | 829,666 | 59.9% |
| Oregon | 9 | 161,469 | 45% | 12 | 199,087 | 55% |
| Pennsylvania | 11 | 371,546 | 50.3% | 13 | 366,665 | 49.7% |
| Rhode Island | 0 | 0 | 0 | 1 | 46,942 | 100% |
| South Carolina | 13 | 333,506 | 48% | 13 | 359,283 | 52% |
| South Dakota | 16 | 164,194 | 32% | 48 | 346,415 | 68% |
| Tennessee | 29 | 825,237 | 49% | 48 | 860,155 | 51% |
| Totals This Page | 153 | 850,454 | 40% | 320 | 5,744,724 | 60% |
| Cummulative Totals | 546 | 12,312,558 | 37% | 1,281 | 21,411,020 | 63% |

Page 3 of 4 Pages

TABLE 2
RURAL COUNTIES
(Population Less Than 50,000)
SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Rural Counties Served By One Or More Interstate Highways | | | Rural Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of Rural Population | No. Counties | 1980 Population | Pct. of Rural Population |
| Texas | 62 | 1,114,292 | 35.6% | 150 | 2,016,875 | 64.4% |
| Utah | 12 | 171,081 | 62% | 12 | 104,452 | 38% |
| Vermont | 5 | 143,708 | 61% | 5 | 90,444 | 39% |
| Virginia | 53 | 1,100,127 | 53.8% | 58 | 944,683 | 46.2% |
| Washington | 3 | 86,666 | 16% | 21 | 440,574 | 84% |
| West Virginia | 10 | 282,462 | 29.2% | 34 | 686,088 | 70.8% |
| Wisconsin | 9 | 308,400 | 27.7% | 39 | 804,821 | 72.3% |
| Wyoming | 10 | 193,169 | 58% | 11 | 137,142 | 42% |
| Totals This Page | 164 | 3,399,905 | 39% | 330 | 5,225,079 | 61% |
| Cummulative Totals | 710 | 15,717,166 | 37% | 1,633 | 26,636,099 | 63% |

Page 4 of 4 Pages

### TABLE 3
### URBAN COUNTIES
### (Having Population of 50,000 or More)
### SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Urban Counties Served By One Or More Interstate Highways | | | Urban Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of Urban Population | No. Counties | 1980 Population | Pct. of Urban Population |
| Alabama | 12 | 2,016,882 | 74% | 9 | 720,117 | 26% |
| Alaska | 0 | 0 | 0 | 2 | 227,000 | 0 |
| Arizona | 10 | 2,626,059 | 100% | 0 | 0 | 0 |
| Arkansas | 2 | 393,494 | 41% | 7 | 556,149 | 59% |
| California | 24 | 18,983,991 | 81.6% | 15 | 4,267,344 | 18.4% |
| Colorado | 10 | 2,381,875 | 100% | 0 | 0 | 0 |
| Connecticut | 7 | 2,299,810 | 76% | 1 | 807,766 | 24% |
| Delaware | 1 | 399,002 | 67% | 2 | 196,223 | 33% |
| District of Columbia | -- | 637,651 | 100% | -- | -- | -- |
| Florida | 28 | 8,710,910 | 96% | 5 | 370,960 | 4% |
| Georgia | 17 | 2,871,889 | 88% | 5 | 387,395 | 12% |
| Hawaii | 1 | 762,874 | 82% | 2 | 163,044 | 18% |
| Idaho | 3 | 322,772 | 64% | 3 | 178,118 | 36% |
| Illinois | 23 | 9,496,261 | 97% | 4 | 273,738 | 3% |
| Totels This Page | 138 | 51,903,420 | 87% | 55 | 8,147,854 | 13% |
| Cummulative Totals | 138 | 51,903,420 | 87% | 55 | 8,147,854 | 13% |

Page 1 of 4 Pages

### TABLE 3
### URBAN COUNTIES
### (Having Population of 50,000 or More)
### SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| | Urban Counties Served By One Or More Interstate Highways | | | Urban Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| STATE | No. Counties | 1980 Population | Pct. of Urban Population | No. Counties | 1980 Population | Pct. of Urban Population |
| Indiana | 22 | 3,566,300 | 94% | 3 | 244,838 | 6% |
| Iowa | 8 | 1,112,355 | 88% | 2 | 150,867 | 12% |
| Kansas | 6 | 1,086,500 | 89% | 2 | 128,488 | 11% |
| Kentucky | 10 | 1,507,131 | 90% | 2 | 167,072 | 10% |
| Louisiana | 15 | 2,743,371 | 87% | 6 | 422,595 | 13% |
| Maine | 4 | 554,024 | 69.8% | 2 | 239,323 | 30.2% |
| Maryland | 11 | 3,705,926* | 93% | 4 | 277,734 | 7% |
| Massachusetts | 11 | 5,575,083 | 97% | 1 | 147,925 | 3% |
| Michigan | 25 | 7,674,524 | 94% | 7 | 459,680 | 6% |
| Minnesota | 10 | 2,438,135 | 98% | 1 | 52,314 | 2% |
| Mississippi | 9 | 906,877 | 83% | 3 | 186,709 | 17% |
| Missouri | 10 | 3,074,431 | 97% | 2 | 107,692 | 3% |
| Montana | 3 | 264,747 | 83.6% | 1 | 51,966 | 16.4% |
| Nebraska | 3 | 676,783* | 100% | 0 | 0 | 0 |
| Totals This Page | 147 | 34,886,187 | 93% | 36 | 2,637,205 | 7 |
| Cummulative Totals | 285 | 86,789,607 | 89% | 91 | 10,785,057 | 11% |

TABLE 3
URBAN COUNTIES
(Having Population of 50,000 or More)
SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| STATE | Urban Counties Served By One Or More Interstate Highways | | | Urban Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| | No. Counties | 1980 Population | Pct. of Urban Population | No. Counties | 1980 Population | Pct. of Urban Population |
| Nevada | 2 | 655,435 | 100% | 0 | 0 | 0 |
| New Hampshire | 4 | 631,061 | 81% | 2 | 147,524 | 19% |
| New Jersey | 17 | 6,838,788 | 93% | 4 | 525,370 | 7% |
| New Mexico | 5 | 707,149 | 79% | 3 | 187,570 | 21% |
| New York | 37 | 15,048,369 | 88.4% | 10 | 1,980,998 | 11.6% |
| North Carolina | 27 | 3,490,701 | 78.4% | 13 | 963,360 | 21.6% |
| North Dakota | 3 | 209,158 | 78% | 1 | 58,392 | 22% |
| Ohio | 34 | 8,655,503 | 91% | 12 | 839,061 | 9% |
| Oklahoma | 8 | 1,466,543 | 89% | 3 | 181,707 | 11% |
| Oregon | 11 | 2,031,469 | 89% | 4 | 240,638 | 11% |
| Pennsylvania | 33 | 10,124,642 | 91% | 10 | 1,003,875 | 9% |
| Rhode Island | 3 | 818,829 | 91% | 1 | 81,383 | 9% |
| South Carolina | 14 | 1,801,313 | 74% | 6 | 625,106 | 26% |
| South Dakota | 1 | 109,435 | 60.9% | 1 | 70,133 | 39.1% |
| Tennessee | 17 | 2,855,153 | 98.3% | 1 | 50,205 | 1.7% |
| Totals This Page | 216 | 55,443,548 | 89% | 71 | 6,955,522 | 11% |
| Cummulative Totals | 501 | 142,233,155 | 89% | 162 | 17,740,379 | 11% |

## TABLE 3
## URBAN COUNTIES
## (Having Population of 50,000 or More)
## SERVED AND NOT SERVED BY INTERSTATE HIGHWAYS

| STATE | Urban Counties Served By One Or More Interstate Highways | | | Urban Counties Not Served By Any Interstate Highways | | |
|---|---|---|---|---|---|---|
| | No. Counties | 1980 Population | Pct. of Urban Population | No. Counties | 1980 Population | Pct. of Urban Population |
| Texas | 34 | 10,115,057 | 91.1% | 8 | 982,109 | 8.9% |
| Utah | 4 | 1,128,328 | 95% | 1 | 57,176 | 5% |
| Vermont | 3 | 218,957 | 79% | 1 | 58,347 | 21% |
| Virginia | 20 | 3,002,987 | 91.0% | 5 | 298,482 | 9.0% |
| Washington | 12 | 3,338,352 | 93% | 3 | 264,571 | 7% |
| West Virginia | 9 | 869,046 | 88.6% | 2 | 112,068 | 11.4% |
| Wisconsin | 13 | 2,666,675 | 74.2% | 11 | 925,439 | 25.8% |
| Wyoming | 2 | 140,505 | 100% | 0 | 0 | 0 |
| Totals This Page | 97 | 21,479,907 | 89% | 31 | 2,698,192 | 11% |
| Cummulative Totals | 598 | 163,713,062 | 89% | 193 | 20,438,511 | 11% |